British Projects and Activities in the Philippines: 1759 - 1805

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ABSTRACT

British projects and activities in the Philippines during the period 1759 - 1805 coincided with important politico-economic developments in Europe, and particularly with those within the British and Spanish empires. European and imperial developments, indeed, provide the background and starting point of the events covered by this study.

To the English, the importance of the Philippine area, in fact, of the whole Malaysian Archipelago, lay in its bullion resources which the expanding China trade was chronically in need of. The Eastern islands were a source of products for which there was a demand in the China market, besides being a consumers' depot for British trade goods, in particular, Indian piece-goods and opium. The islands were also a potential market for British manufactures. Strategically, they constituted a vital link not only in the defense of the Indian settlements but also in the security of the English commerce between India and China. An English settlement established amongst the islands would thus create a vast network of exchange of Malaysian, Indian, Chinese, and European goods.

A period of sustained British interest in the Philippines commenced with Dalrymple's voyage from India to the lands further east, bringing him, amongst other places, to the Sulu islands which the Spaniards had been hard put to annex to their Eastern possessions, and

which now form part of the Republic of the Philippines. Almost simultaneously with this voyage, an expedition was planned and launched against Manila, the capital of the Spanish Philippines. The outcome of the first event was the establishment of the first English settlement in Balambangan, an island belonging to the Sulus. The expedition to Manila was a military success, but on balance proved fruitless to either the English King who sanctioned it or the East India Company which aided it. Other projects followed, calculated to tap the bullion resources of the Spanish-American trade converging in Manila and also the possibilities of trade and cultivation amongst the Philippine islands. The fruits of these projects were not immediately enjoyed, but British interests in the Manila trade were firmly established before the end of our period. In fact, toward the end of the Spanish rule, the Philippine export and import trade had become concentrated in English hands. Meanwhile, Dalrymple's exertions with the Sulus had also paid off with the cession to a British company of the Sulu Sultan's territories in Borneo.

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CHAPTER I

INTRODUCTORY

The "golden age" of Spanish rule in the Philippines may be said to commence with the first settlement established there toward the close of the sixteenth century. By 1750 it was but a faint memory. During the last fifty years, hardly anything intervened to break the cultural morass in which the islands were submerged. The Oriental possession excelled those held by the Spanish Crown in America only in the depth of its moral and material stagnation; indeed it had been consigned to oblivion. As Raynal put it, were it not for the colony's connection with Mexico, its name would scarcely be known.

The accession to the Spanish throne of an enlightened and dynamic despot, bestirred shortly thereafter by outright British intrusion in the Philippines, opened a new phase in the history of the colony. This phase may be said to cover the years 1759-1805. The first year saw both the beginning of Charles III's reign in Spain and Dalrymple's departure from the English East India Company's settlement at Madras, on a voyage of exploration which took him to the fringe of the Spanish Philippines. The year 1805 marked an all-out struggle against Napoleon and the consequent absorption of all Europe in the contest and distraction from non-European questions. That year witnessed also the withdrawal of the settlement on Balambangan, thus ending a half century of British experimenting in one area of East Indian trade.

During this period, British activities in the East extended to the

Spanish Philippines and to peripheral areas over which Spain laid a claim and which now form part of the Philippine Republic. British interests in this portion of the Eastern Archipelago were mainly economic and commercial. Those of The East India Company, in particular, transcended the boundaries of their settlements in India. They were motivated by two primary considerations - first, the recovery of their lost share in the spice trade, and second, the expansion of the commerce with China. These ambitions were to be accomplished by setting up intermediate bases between China and India and attracting the trade of the Eastern islands to those bases. The Philippines, particularly that area separating actual Dutch and Spanish spheres of authority, was considered ideal for the Company's purposes. In the pursuit of their objectives, the Company received more than just moral support from the King's Government, the latter at times even anticipating the motives of the other.

The effects of British activities within the alleged limits of the Spanish Philippines were revolutionary. The successful invasion of Manila in 1762, in particular, roused the Spaniards to the extent of the foreigner's threat to their authority and monopoly inside a vast, rich empire.

Spain, with a predominantly agricultural economy and with an industrial capacity hardly sufficient to meet the needs of the peninsular population, yet under the necessity of supplying an extensive colonial territory with that same pattern of needs and resources, had proved to be a lucrative vent for the surplus production of more industrialized countries. Of these, England was becoming obtrusive.[1] For her, Spain was a veritable

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1 On the British economic interests in the Spanish empire before and during the period under study, see A. Christelow, "Great Britain

silver mine, a source of bullion with which to settle the balance on her trade with other countries. Not content with their profitable trade with the Spanish mainland and the limited one with the Spanish Indies under the asiento de negros and navio de permiso,[1] the English sought a direct share in the general trade of Spanish America which was carried on in the silver fleets and galleons calling at Vera Cruz and Puerto Bello. A tremendous clandestine commerce thus grew up as the arm of the Spanish commercial code strained to contain it. In 1750, the English attempt to get into the American trade by legislation was abandoned officially, but the fact that the expanding British trade was still being fettered by the Bourbon policy of colonial monopoly remained a serious irritant.

In Manila, although here too Europeans were excluded from trade, the English were able to penetrate under cover of Asian flags. Their trade with China increasingly necessitated a supply of bullion, and for years before the invasion, the Fort St. George establishment had been procuring

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and the trades from Cadiz and Lisbon to Spanish America and Brazil, 1759-1783," in The Hispanic American Historical Review, V. 27, Feb. 1947, No. 1, p. 2-29; Idem, "Economic Background of the Anglo-Spanish War of 1762" in The Journal of Modern History, V. 18, March 1946, No. 1, p. 22-36; J.O. MacLachlan, Trade and Peace with Old Spain, 1667-1750, Cambridge University Press, 1940.

1 The "Tratado del asiento de negros" was an agreement entered into by the rulers of Great Britain and Spain in 1713. By this treaty, England should bring to the Spanish West Indies, during a period of thirty years, 144,000 negroes of both sexes, at the rate of 4,800 each year. Philip V of Spain further conceded to the South Sea Company, in charge of the negro contract, right to send a ship of 500 tons burthen to the Indies to trade, referred to as the "navio de permiso". In return the Spanish King should receive one-fourth of the profits and an additional 5 per cent on the other three-fourths accruing to the English. For further details, see A.S. Aiton, "The Asiento Treaty as Reflected in the Papers of Lord Shelburne," in The Hispanic American Historical Review, V. 8, 1928, p. 167-77.

silver by purchase or exchange at Manila, and likewise Spanish dollars which were the foreign currency recognized in China. Manila, in turn, got her supply of money and bullion by the annual galleon from Acapulco.

After the invasion, the Philippines took its place in the forefront of Spanish colonial policy.[1] Direct contact was opened with the mother country via the Cape of Good Hope, thereby ending the isolation of the colony. Economic and commercial development programs became the order of the day. The administrative machinery was overhauled to meet higher standards of efficiency and morality. Military defenses were brought up to date to forestall further British designs against the islands; indeed until the coming of the Americans in 1898, no western power ever again forced the colony from its Spanish rulers. It was as if the colony had awakened from a deep and protracted slumber and was hastening to catch up with a transformed world.

While politically British interest and activities in the Philippine area could be traced to the current situation in Europe, by their very nature, however, they were intimately linked with the history and motivations of the English East India Compeny. The invasion of Manila was to be the opening by which the Company would establish the much-coveted trading base - their access to the spice trade and halting-place on the route to China. The Balambangan settlements and the Mindanao projects all tended to the same objective goals of the Company.

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1 Some useful readings in Spanish Colonialism are: M. Blanco Herrero, Politica de Espana en Ultramar, Madrid, 1888; C.H. Haring, The Spanish Empire in America, New York, 1947; B. Moses, Spain Overseas, New York, 1929; W. Roscher, The Spanish Colonial System (trans. ed. by E.G. Bourne), New York, 1904.

The Company itself underwent a thoroughgoing transformation during the forty-six year period under study. The French wars marked the first disruptive disturbance in the purely business ways and interests of the trading body. The acquisition of political power in Bengal and the opening up of a vast field of dividends, patronage, and spoil raised serious imperial and moral questions, thus bringing the Company and affairs in India within the focus of public and parliamentary scrutiny. The occupation of Manila emphasized the difficulties in reconciling state interests with those of the organized merchants. Subsequent events in India heightened the contradiction between the purposes and the administrative organization of the Company. No doubt the compelling need of the time was to bring Company and State into a fruitful and unimpeachable relation. The Regulating Act of 1773 was the first assertion of parliamentary control over the unwieldy body of merchants. Under the India Act of 1785, Company and Crown closed ranks and entered into a formidable partnership for expanding and consolidating British dominion over India.

The energies of this partnership, however, were all but absorbed by affairs on the Indian continent. Subsequent British projects in the Philippine area were uniformly frustrated by the attenuation of the imperial drive beyond the boundaries of that continent. The withdrawal of the Balambangan settlement in 1805 marked the beginning of a long postponement of British ambitions in the peripheral no-man's land wedged between actual Spanish and Dutch domains.

As we have pointed out, British interest and activities in the

Philippines during 1759-1805 had their roots embedded in the politics of Europe. I shall therefore trace briefly those events on the continent which form a background to the matter under study. The point of emphasis, of course, will be the relationship between England and Spain, principally the recurrent failures to resolve differences and the consequent repercussions on the islands. Religion, national sensibilities, personal ambition and sentiment, accidents, all have their place in the conception of policy, but the limits set for this study allow consideration only of the political, commercial, and diplomatic.

In the relations between Spain and England during our period,[1] France was the dominant obstructive element. England and France, locked in their epic struggle for supremacy in Europe, dragged Spain also into their arena, although the latter was of course, no unwilling contender. The union of France and Spain under the Bourbon House at the turn of the eighteenth century and the subsequent succession of alliances which a common dynasty interposed between the two nations were a strain to the British foreign policy makers who were hard put to maintain the balance of power on the continent. During the second half of the century the rivalry

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1 For the general background of political and diplomatic relations between Spain and England in this period, see Jeronimo Becker, Espana e Inglaterra, sus relaciones politicas desde las paces de Utrecht, Madrid, 1907; V.L. Brown, "Anglo-Spanish Relations in America in the Closing Years of the Colonial Era, 1763-1774" [Reprinted from The Hispanic American Historical Review, V. 5, No. 3]; Cambridge History of British Foreign Policy, 1783-1919, The University Press, 1922-3; J.S. Corbett, England in the Seven Years' War, 2V., London, 1907; H.E. Egerton, British Foreign Policy, 1783-1815, V.1, Cambridge University Press, 1922; Don Manuel de Marliani, "Resena de las relaciones diplomaticas de Espana desde Carlos I hasta nuestros dias," [extracted from Historia politica de la Espana moderna], Madrid, 1841; Juan Perez de Guzman, "Las relaciones politicas de Espana con las demas potencias de Europa al caer el conde de Floridablanca en sus ministerio en 1792" [extract], Madrid, 1906.

between the two sides expressed itself signally and decisively in the overseas possessions of the contending powers. Spain, whose colonial territory lay astride the highways of communication and trade, in precarious isolation and festering with a moribund economic system, proved to be the most susceptible and also the most vulnerable to enemy reprisal. England, on the other hand, with an eye for strategy ranging over the world, marshalled all her military, naval, and diplomatic forces to bear on the other side, and in the end bested France, her real rival for empire.

France[1] and England had both held vital political and economic interests in Spain and her overseas possessions. The two enjoyed exclusive privileges in the trade of the latter and looked upon her as an indispensable source of bullion for their treasury. Spain, on the other hand, regarded their trade as a mere engine to bleed her of her precious metals and to defraud her of her revenues.

The Treaty of Aix-la-Chapelle of 1748 left various questions between the three powers unsettled. Of these, the imperial problem was the most absorbing. Each felt the other a menace to her own possessions in the West Indies and America, a feeling which between England and France extended to

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1 French interest in the Spanish empire during the eighteenth century is outlined in A.S. Aiton, "Spanish Colonial Reorganization under the Family Compact," in The Hispanic-American Historical Review, V.12, Aug. 1932, No. 3, p. 269-80; A. Christelow, "French Interest in the Spanish Empire during the Ministry of the Duc de Choiseul, 1759-1771," ibid., V. 21, Nov. 1941, No. 4 p. 515-37.

2 The commercial rivalry between England, France, and Spain in the Caribbean and in Spanish America is treated extensively in Richard Pares, War and Trade in the West Indies, 1739-63, Oxford, The Clarendon Press, 1936.

India. When Charles III arrived in Spain to take up the sceptre there, war had already broken out between the two other powers over limits of territorial expansion in America. With this issue merged the European one, that of maintaining the equilibrium within the system of state alliances.

The defeat of the French forces in America revived in Charles III the traditional Bourbon antipathy toward England, besides stirring up old-standing grievances against her. He was aware that France had always sought the subordination of Spanish interests to her own, but between the two contending nations, France was to his mind a lesser menace to his American dominions than England. The Bourbon Family Compact, the imminence of which had caused the English Minister, Pitt, some diplomatic nightmares and had driven him to withdraw from an increasingly pacific Ministry, was finally sealed. England declared war against Spain in time for the latter to share in the defeat of her ally. Manila, besides Havana, was taken by the English, and the ease with which this was done rudely awakened the Spanish from their complaisance with regard to their Eastern possession.

Shortly before the project for an attack against Manila was launched, two of the Company's servants at Madras were devising a scheme for extending the English trade to the Eastern islands. Dalrymple, the chief architect of the plan[1], was taken by the idea of acquiring a trading settlement amongst those islands, to serve as a feeder to the important India

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1 George Pigot, president of the Madras settlement encouraged and sponsored Dalrymple's "Far Eastern" project.

and China trade and to bolster the exchange in British manufactures. His choice fell on a spot of land belonging to the Sultan of Sulu, a Mohammedan chieftain whose domains were wedged between the Spanish and Dutch territories and whose abiding submission had long been sought by the Spaniards in Manila.

When the Company's Directors in London were advised of the projected expedition to Manila by the King's Ministers, the former seized upon it as a means to obtain the desired trading base. Their choice fell on Mindanao, adjacent to the Sulu islands and also the object of Spanish claims. When this plan did not materialize, the Company ordered the settlement of Balambangan island, Dalrymple's proposed site. But in 1775, this settlement was attacked and despoiled by Suluans, and the considerable losses suffered and the situation in Europe disheartened the Company from pursuing the project further.

The Peace of Paris signed on 10 February, 1763 was as much a diplomatic impasse as the Treaty of 1748. The Bourbon allies felt humiliated and exposed to further danger by its terms, while England fretted over the inadequacy of her rewards in terms of her victories. Outside factors continued to strain relations between the Spanish and British governments. The growing contraband trade of British interlopers in the Gulf of Mexico was one irritant. Another was the question of payment of the "Manila ransom" bequeathed by the late war. Thus when the Falklands question[1] was aired, the two nations were disposed towards war.

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1 Falkland Islands, situated in the southern Atlantic, 300 miles east of Magellan Straits, were claimed by both Spain and England. An English settlement was established there in 1765, just after

The fall of Choiseul, the French King's Minister and "agent provocateur," and Charles III's dread of facing English naval might single-handed, however, saved the day.

Fresh opportunities to get even with England did not take long to present themselves before the Bourbons. The declaration of independence by the American colonies provided such opportunities. France quickly extended aid to the dissidents and then entered into a treaty with them. The result was open rupture with Great Britain in 1778. Meanwhile, Spain sought to remain neutral, although she had also been secretly aiding the rebels. Assuming the role of a broker, whose profits lay in being able to get certain pending questions with England settled, Charles III offered to mediate between England and France. The offer was rejected by the former power as lacking in good faith. Further diplomatic exchanges

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the French had moved in, later giving up their claim to the islands in favor of the Spaniards. In 1770, a Spanish expedition from Buenos Aires expelled the English from their settlement (Port Egmont), which occasioned a strong protest with a demand for reparation from the English Court. Subsequently, the Spanish forces were withdrawn from the islands and the English settlers reinstated, "but without either acknowledgment of the British right or reparation for the insult offered to the British flag; and the withdrawal of the British garrison followed as soon afterwards as to seem like a virtual recognition of the Spanish title."

The islands, which were themselves valueless, had been recommended by Lord Anson as a suitable place for anchorage and refreshment of ships on the way to the South Seas. Spain, on the other hand, had shown an awakening interest in the China trade and the direct one between herself and the west coast of South America. British activities in the islands were thus interpreted by the Spaniards as an attempt to control this sea route to China and the Far East and to obtain a base for illegal trade with the Spanish settlements. See V.L. Brown, op. cit.

convinced England of Charles' partiality to France, and Charles of England's lack of amenability to the proposed mediation. Spain signed a secret alliance with France on 12 April, 1779.[1] Two months afterwards she declared war against Great Britain.

In the following year the British Ministry entertained an ambitious proposal for an expedition against Spanish America by way of India. The forces which were to depart from this point would cut across the Philippines to New Zealand, thence to the Pacific Coast of South America. This plan was then incorporated into another more advantageous to the interests of the Company whose aid was vital to such a project. The Company's condition for its assistance was the establishment of a settlement on the island of Mindanao in southern Philippines, and if possible, another on Calebes, whence the spice trade could be tapped and restraints might be imposed on the Spaniards in Manila. The Dutch entry into the war, however, gave a new aspect to the situation, and the English Ministry instead decided to order an attack on the Cape of Good Hope.

Spanish gains from the Peace of 1783 were a disappointment. Gibraltar, which was one reason why she entered the war, was not returned to her. She resisted British overtures to draw up a treaty of commerce with her as provided for in the Peace, while difference between them still

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1 The avowed reasons of the Spanish and French Kings for ranging themselves against England are given in Manifiesto de los motivos en que se ha fundado la conducta del Rey Christianisimo respecto a la Inglaterra, con La Exposicion de los que han guiado al Rey nuestro Senor para su modo de proceder con la misma Potencia, Madrid, 1779. (seen in Harvard University Widener Library).

persisted in the Caribbean. This uneasy relationship was bound to lead to open rupture, and the dispute over Nootka Sound[1] well-nigh provided the spark. England, who was averse to conceding to Spain the latter's claim to an abstract right over the coast of America north of California, prepared for war. Spain, finding herself again deserted by her French ally, yielded to the English demands.

France was now plunged into a cataclysmic revolution against the ancien regime, and Spain's relations with her began to take a new turn. Floridablanca, Charles IV's minister who had also served Charles III, was torn between staying the tide of revolutionary contagion and preventing the loss of the French alliance. Thus did he initiate his country into an ambivalent policy which was to prove disastrous under the guiding hand of the fumbling Godoy.

After Louis XVI was imprisoned by the revolutionaries in 1792, Charles IV felt an obligation to save his cousin. Yet Spain was ill-prepared for war, and in her search for allies turned to England. The revolutionary Assembly in Paris, on the other hand, which had taken the measure of its military strength in the battle against Prussia, thereafter

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1 Nootka Sound is a harbour on the west coast of Vancouver Island. There was doubt as to who first discovered it. The Spaniards claimed to have visited it in 1774, while Cook insisted that they had never been there. Interest in the place, nonetheless, did not arise until after the Treaty of Peace of 1783. "From 1785 onward English ships, coming both from India and from the mother country, visited Nootka to purchase furs." This and Russian movements into Alaska stirred the Spaniards, who "did not wish that either their trade or their territorial rights should be interfered with." In 1789, the Viceroy of Mexico sent Martinez and Haro "to occupy Nootka before it should be taken possession of by any other Power." For details of this complicated question, see J. Holland Rose, William Pitt and National Revival, London, 1911, chap. 25.

made bold to declare war against vacillating Spain. The disastrous campaigns under the Anglo-Spanish alliance, meanwhile, strained relations between the two nations. In 1795, Spain was ready to make peace with France, which Godoy clinched with a treaty of alliance on 18 August, 1796. Charles IV now turned against his former ally, Great Britain, and a state of war was declared against the latter two months later.

In November of the same year, the East India Company's Secret Committee advised the Indian settlements of the outbreak of hostilities with Spain, recommending that an expedition be undertaken against Manila. Elaborate preparations were made at both the Bengal and Madras establishments which would have unleashed a much larger force than that sent against the same place thirty-five years before. It was reported that Manila's defenses had been greatly improved since the last invasion. Indeed, this must have been a crucial moment in the historical life of the colony, when the balance of strength could easily shift in favor of the invading power and put it in the permanent possession of the latter. However, the expedition was called off upon the receipt at Madras of the news of the rapproachement between the French Republic and the Emperor of Germany.

By this time Napoleon had appeared on the scene. French policy toward Spain then began to tighten, and threatened to turn the latter nation into a mere puppet of France. In 1800 a new Franco-Spanish treaty obliged Spain to help in the humbling of Portugal, England's most steady and useful ally. This done, isolated Britain initiated negotiations for peace.

Meanwhile, the English force in the East had seized the Dutch possessions in the Moluccas. The Company's Court of Directors who had always wished for a settlement among these islands, however, recognised that the conquest might be temporary. The Treaty of Amiens of 1802 did provide for the restitution of conquered Dutch territories, in view of which Lord Wellesley, Governor-General of India, ordered the re-establishment of Balambangan. The resumption of war with France and Holland, however, dampened the Company's enthusiasm. The settlement was ordered to be withdrawn, with the Company's observation that the force required to maintain the settlement could ill be spared in the probable reconquest of the Dutch possessions in that quarter. The Company obviously rated the spice islands, from which the English had long been excluded, very highly, in fact, more than any other spot in the East Indies as an unerring means to the promotion of their commercial interests.

Thus ended a period of sustained British interest in the Philippine area. After the struggle for life against Napoleon, English energies would again be directed toward rounding off and consolidating their empire, especially in the East. In the Malaysian archipelago, their attention focused on the Malay Peninsula and the island of Borneo. Within the first half of the nineteenth century, British authority was secure on one of the main highways of Eastern trade, the Straits of Malacca. In the 1850's British activities in north Borneo were resumed. Previous relations with the Suluans, in the days of Dalrymple, finally paid off. The Sultan, smarting under the growing weight of Spanish dominance, surrendered his rights over north Borneo and adjacent islands, including Balambangan, for a continuing money payment. In Manila, meanwhile, the import and export

exchange was becoming concentrated in the hands of British merchants.

This study aims to show the background of British interest in the Philippine area, and the nature of the activities to which that interest led. The effects of these activities on the Spanish colony are of special interest to the student of Philippine history. They relate to one comparatively unexplored aspect of that history. The major effect of the British impact upon the colony was to introduce a set of values by which to gauge and judge prevailing conditions in the islands. Spanish reformers thus obtained an opening for the re-examination of the imperialist position in their Oriental possession. At the end of the period covered by this study, some of the fruits of that re-examination were already being enjoyed.

The "alienation" of Sulu territory on North Borneo is a more recent effect of British activities in the Philippines, and now the object of increasing political interest in the latter country. It is beyond the scope of this study, but its roots go back to the days of Dalrymple. Thus, an attempt will be made here to bring out the relevant events and circumstances falling within the period 1759-1805.

Other than these activities, the British also conceived various projects involving the area, and which are treated here, notwithstanding they were never carried out, to throw further light on the nature of their interest not only in the Philippines but in the entire Far East.

CHAPTER II

Revival of British Interest in the Eastern Archipelago; First Contacts with the Sulus.

With the discovery of the route via the Cape of Good Hope, Europe obtained direct access to the exotic products of East Asia. Portuguese, Spanish, Dutch, English and French all went in for a share in the trade of those goods and came into open conflict with one another. Their rivalry centered chiefly around the sources of spices, the most highly esteemed of the Eastern products in demand in Europe. During the early seventeenth century, the competition was fiercest between English and Dutch, and by the 1620's, the former had been effectively elbowed out of the spice-producing islands by the latter.[1] The English thus reverted to India, where they subsequently concentrated their energies and eventually founded an empire.

The retreat to India, nevertheless, did not obscure the prospects for the English of trade expansion in Further Asia. In fact, the English trade with China grew considerably during the first half of the eighteenth century and its widening needs were pushing the English into new and broader avenues.[2]

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1 For an account of the early British contacts with Malaysia, see T.C.P. Edgell, English Trade and Policy in Borneo and the Adjacent Islands 1667 - 1786 (unpublished thesis), 1935; Johannes Willi of Gais, The Early Relations of England with Borneo to 1805, 1922.

2 Details of the beginnings and development of the English China Trade are found in Michael Greenberg, British Trade and the Opening of China, 1800-42, 1951; Hosea B. Morse, Chronicles of the East India Company Trading to China, 1635-1834, V. 5, 1926-9; Earl H. Pritchard, The Crucial Years of Early Anglo-Chinese Relations, 1750-1800, 1936.

Since the Treaty of Utrecht, England had had a long period of peace during which her industry was greatly expanded by the application of science and her commercial activity augmented by maritime exertions. Simultaneously with, or in consequence of these developments, the old concepts of colonial and commercial expansion underwent changes. The narrowly nationalistic theory of the balance of trade was rapidly losing ground, while the new mercantilist view now looked toward the development of markets for the expanding home manufactures.[1] In the East, the means of achieving this end lay in the creation of emporia or trading centers, preferably in the Malay Archipelago, as the main links in a vast network of exchange. The idea attained fruition toward the end of the eighteenth century, but the first clear statement of it was made in the 1760's by an obscure servant of the English East India Company serving in Madras.

Alexander Dalrymple went out as a writer to the Company's establishment at Fort St. George, Madras, in 1752. In 1757, he became deputy-secretary. From the point of view of seniority, he had anticipated this promotion and prepared himself for it by diligent perusal of the Company's records filed in Madras. The upshot of his research was that the Company would be able not only to regain their share of the trade in the Eastern Islands but also to extend it beyond the limits it had ever attained before. His ideas apparently came to a focus during the French seige of Madras, at which time also President Pigot is said to have

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1 Vide, James A Williamson, A Short History of British Expansion, 1922; Vincent T. Harlow, The Founding of the Second British Empire, Vol. I, 1952.

promised to give him "the necessary employment."[1] On 11 April 1759, the President announced to the Madras Council that he had received orders from the Secret Committee of the Company's Court of Directors in London for "some secret service," and that he had in mind to send Dalrymple on the Cuddalore schooner to undertake it.[2] The Council seconded Pigot's choice, and five days later, the Cuddalore set sail.[3]

An element of irregularity seems to have attended this enterprise, not unusual in the proceedings of the Company's servants in India. Dalrymple was next heard of in the Madras Council through a letter received from him dated at Canton, 28 December 1759,[4] giving notice of a bill he had drawn on the Madras Presidency; but until his return to the settlement on 28 January 1762, two years and nine months after the Cuddalore's departure, there was no further communication from him. Pigot, on the other hand, claimed to have received orders from the Company's Secret Committee to undertake such a voyage, yet the Committee complained later that they had not been told of the voyagee for which the Cuddalore was dispatched.[5]

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1 An Account of what has paased between the India Directors and Alexander Dalrymple: intended as an introduction to a Plan for Extending the Commerce of this Kingdom, and of the Company, in the East Indies, by an Establishment at Balambangan, London, 1768.

2 Madras Public Consultations, 1759, Range 240, V. 17, f. 66.

3 Ibid., f. 71.

4 Read and entered in the Consultation of 10 June 1760, ibid., V. 18, f. 287.

5 Despatch from the Secret Committee to the Select Committee at Madras, 13 Mar. 1761. H. Dodwell, Calendar of the Madras Despatches, 1754 - 1765, II, 1920, p. 256.

There is no doubt that Pigot tried to keep his intentions with regard to Dalrymple's voyage under a veil of secrecy as long as possible, and withheld information from the Committee in London until Dalrymple was well on his way, in fact, for more than a year after the latter's departure. There are no references to it even in the Presidency's Consultations, apart from that day when Pigot announced his plan for Dalrymple and the Cuddalore. When Pigot communicated much later with the Committee on the matter, it was to say that Dalrymple had been sent abroard "to attempt to discover a new track to China through the Molucca Islands and New Guinea, that the China ships may avoid the danger in time of war of going through the Straits of Malacca.[1]" Two years afterwards, when Dalrymple was back in Madras, Pigot reported to the Committee the return of the man he had dispatched "to attempt to open trade at the island of Sulu."[2]

Precisely what Dalrymple's instructions from Pigot were, we have not been able to ascertain. There is not a direct clue from Pigot's correspondence with the Company, nor from any of Dalrymple's voluminous accounts. We can only deduce from the latter that Dalrymple had set out to re-establish connections with the Malays of the Eastern Archipelago,

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1 Letter to the Secret Committee, 31 July 1760, Memoranda of the Committee of Correspondence, V. 18.

In 1757, Commodore Wilson of the Pitt discovered the eastward passage to China, that is, through the Moluccas into the Pacific Ocean by the coast of New Guinea, thence along the east coast of the Philippines round through the opening between Luzon and Formosa to Canton. Vide, "Memorandum from the China Diaries, etc. received in 1760," ibid.

2 Despatch to Company, 17 April 1762, Dodwell, op. cit., p. 280.

an area from which the English had been effectively ousted by the Dutch and which was a preserve divided between the Dutch and Spanish, and to secure a base for English trading operations in that area and in China. It is also difficult to say whether Dalrymple's choice of the Suluans and Sulu territory was accidental or planned. We can only take note of the fact that on his return from his voyage, he proved to be particularly, perhaps excessively, sanguine of the contact he had just made with the Suluans, a people with whom the English had had no previous relations, and of the information he had gathered of their trade connections and interests. From this time on, he was to direct a relentless barrage of memorials, expositions, and recriminations at the Directors of the English East India Company to get them to expand their trade into the Malayan islands.[1] Long after he was dismissed in 1771, from the Company's service, "as appearing to be a very improper person" to undertake the proposed trading base, his enthusiasm remained unabated. He continued to dig amongst ships' journals and other records in Fort St. George, and with his own personal collection of rare Spanish materials,[2] believed to be the largest assembled by an Englishman at that time, published one of the finest sets of nautical tracts of the island-strewn Eastern seas.

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1 Dalrymple wrote that his "first and most striking object of research was the discovery of a Southern Continent," but that "other objects intervened." When he was irrevocably excluded from the East Indian project, he returned to "the great passion of his life." An Historical Collection of the several Voyages and Discoveries in the South Pacific Ocean. (2 Vols., Lond., 1770-71), Vol. I, Introd., pp. XXI - XXIV.

2 James Burney who had recourse to this collection for his work, A Chronological History of the Discoveries in the South Sea or Pacific Ocean. (5 Vols., Lond., 1803-17), acknowledged his having been furnished with several original accounts of Spanish discoveries which he had had "no other means of procuring."

Dalrymple's interest in Spanish East Indian cartography began with his first voyage to the Eastern Archipelago, while passing through the Philippines. The first important "Filipiniana" collection he made then was Manuel Correa's plan of Luzon.[1] He narrated that in 1761, Don Manuel Galvez, Spanish governor of the settlement of Zamboanga in Mindanao, gave him leave to copy the manuscript. When he returned to Madras in January 1762, he transmitted it to his friend Hyde Parker who later during the year was in the expedition against Manila. Galvez also gave Dalrymple a letter for his brother in Manila to deliver to the Englishman several other port plans made by himself. But "unfortunately, by the illiberality of an English renegado, Norton Nichols, the Spaniards there were, from an apprehension of imputation, afraid of making (Dalrymple) any communications."[2]

Another interesting sidelight on Dalrymple's linkage with Spanish hydrographic and historical research was in connection with Fr. Juan Francisco de San Antonio's Chronicas de la Apostolica Provincia de San Gregorio de religiosos descalzos de N.S.P.S. Francisco en las Islas Philipinas, China, Japon, etc. (3 Vols., Sampaloc, 1738-44), and Fr. Pedro Murillo y Vilarde's map attached to his Historia general de la Provincia de Philipinas de la Compania de Jesus (Manila, 1749), "the first detailed chart of the Philippines ever published." Dalrymple declared that he

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1 An Exact and True Description of the Coasts, Ports, Islands and Shoals with the Soundings and Marks on the Coast of Luzon ÷ From the Port or Bay of Mariveles, to beyond Cape Engano, together with the Description of the Babuyanes Islands, dated Port of Bangui, September 1740. "Trans. from the Spanish MS. by the late Sir Hyde Parker, Bar, Revised and published at the expence of the East India Company by Dalrymple." London, George Bigg, 1789.

2 Preface to Dalrymple's Nautical Tracts, No. 6, London, 1789. Nichols is mentioned again in a subsequent chapter.

procured the first at Madras from W. Roberts after the seige, and that he sent the second to C. Howe who went with him in the voyage of 1759 and had made several extracts from the Chronicas. He did not think that Murillo's map was known to Lord Anson at the capture of the Spanish galleon, Cavadonga, as Parker claimed, or he would not have represented Manila in his Voyage as an open place.[1] Parker later remarked that if the whole of the Chronicas had been translated before the seige of Manila, the British "might have terminated the war with equal glory and riches, instead of burthening the King's ministers with endless disputes or laying a foundation for another war by depending weakly on the Spanish honor." It should be noted that Parker was for taking possession of Mindanao as a British base conveniently close to the Moluccas and deplored the wanton loss of opportunities in the Manila expedition of 1762.[2]

Dalrymple's first visit to the Sulu Sultanate had two tangible results. The cargo he had brought with him on the Cuddalore both paid for the voyage's needs for provisions and gave a return of Sulu goods, which it was estimated would make in China a 100 per cent profit on the cost of the entire cargo.[3] Of greater interest to the Company was the agreement which Dalrymple entered into with Datu Bandahara and the

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1 See marginal note in Dalrymple's handwriting to Adm. Sir Hyde Parker's "Account of the Philippine Islands (ca. 1789 ? - sic)," Add. MSS. 19, 295, f. 2-8.

2 Ibid.

3 Dalrymple's account of his first voyage to Sulu in a letter to the President and Council at Madras, 22 March 1762, entered in the Consultation of the following day. Fort St. George Public, V. 20, f. 176, et. seq.

collective body of chiefs in Sulu, under sanction of the Sultan.[1] Goods from India were to be delivered to the amount of 44,000 Spanish dollars, which the Suluans were to receive at 100 per cent over the invoice price, or 88,000 dollars. This was to be paid in goods fit for the China market in accordance with a stipulated price list. The Suluans further undertook to make another 100 per cent on the sale of their goods in China for the benefit of the English, or 176,000 dollars, any excess over this amount to go to the Suluans and any deficiency to be made up by them. All in all, the Company exports to Sulu were to make a 300 per cent profit on the prime cost.[2]

With Sultan Bantilan, regarded by the Spaniards in Manila as usurper of his brother's throne,[3] Dalrymple further made a treaty of alliance and commerce on 28 January 1761.[4] The salient points in this agreement were to be insisted upon later by Dalrymple, against a background of shifting

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1 Enclosed in the letter mentioned above.

2 Ignorance of the value of many articles for China induced Dalrymple to stipulate a certain rate of profit which should be fetched there, and the 100 per cent was clearly an excess, as the first 100 "in great measure secured to the Company an adequate profit for the whole voyage." Account of Sooloo by Mr. Dalrymple in Letter to the Company, London, 1765. Orme Collection Various, Vol. 88, f. 1-18.

3 In September 1748, an "alleged" rebellion in Sulu unseated Sultan Alimudin I and sent him a "fugitive" to Zamboanga and thence to Manila. Spanish sceptics looked upon the dissention as rigged and designed to give the Sulus inside information of Spanish doings in the Philippines.

4 Copy with seal, probably original, and another in Arabic, in Home Miscellaneous Series, V. 629, received by the Court of Directors from Dalrymple on 26 October 1768. Other English copies in H.M.S., V. 102 (henceforward Home Miscellaneous Series will be abbreviated thus) and Borneo Factory Records, No. 62 of Packet IX.

power politics in the Sulu Court.[1] The English were given "leave to chuse a spot of ground for a factory and gardens," which was to be secured to them, by the Sultan himself, in "perpetual and unmolested possession." They were also free to trade with any part of the Sulu dominions, subject only to the Sultan's ban on certain articles. No other Europeans would be admitted to trade anywhere in the Sultan's territories, nor any Englishmen without the consent of the Company. Finally, the treaty provided for mutual assistance and protection against attacks and "enemies."

This treaty was said to have been ratified in September 1761 by Datu Bandahara, "the head of the nobility on their behalf," and also by "the chief people of Sulu,"[2] The datu was a kind of prime minister in the Sultan's council and enjoyed a wide influence beyond the Sultan's dominions.[3] He appeared from the beginning to be receptive to the idea of an Anglo-Sulu relationship, and did provide Dalrymple with some valuable leverage in the latter's initial dealings with the Suluans, whose ways were yet unknown to the English and whose inclinations could hardly be gauged. The

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1 In Manila, during the occupation, Dalrymple proposed to the deposed Sultan to ratify the treaty with Bantilan of 1761 and backdate his ratification to November of the same year, the other time Dalrymple was in the city. The Sultan agreed to do so as it appears he had written letters to Bantilan somewhat to the same effect. "Letter to the Secret Committee from Dalrymple," Manila, 7 February 1764. Borneo, No. 57 of Packet IX. On 28 September 1764, the Sultan placed his seal on a separate treaty with the substance of the other.

2 The document in Arabic with seal, probably original, was among the papers delivered to the Court by Dalrymple on 26 October 1768. H.M.S., Vol. 629. The date 20 November 1761 was crossed out on the cover and replaced with September 1761. No copy in English seems to have been preserved; that listed in the Borneo Records is also missing.

3 He claimed to be related to the king of a "rich and populous state" in Borneo which he called "Kaely" and assured Dalrymple that a profitable trade could be carried on from there, offering to settle the preliminaries of a treaty and to escort the English there with some persons of consequence. This, however, did not come about.

datu, whose authority was "scarce inferior" to that of Sultan Bantilan, demonstrated his integrity by his support of the Chinese in Sulu against his own chief's oppressions. In the contract for the India cargo, he gave Dalrymple an order on his own account which took up almost half of the entire amount.[1]

The Madras Council was very much impressed by Dalrymple's exertions and was convinced that the latter's plans would open up a vast field of opportunities for the expansion of the Company's commerce. They had his word that besides the Sulu cargo for China, other goods could be obtained for trial in the European market.[2] They thus reported to the Directors that owing to the military success lately achieved in India the opportune moment had come for the Company to renew their activities in the Eastern Archipelago. The Council moreover hinted at territorial acquisition in that area, of places which by inference from the treaties of Munster and

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1 See letter from Dalrymple to Orme, "Concerning the navigation and commerce of Sooloo and other eastern islands," 12 April 1762. Orme Collection, V. 67, f. 107-19.

2 Dalrymple gave the following estimate of Sulu cargo which he said could be procured for the Royal George:

Pepper	70 tons
Clove bark	50 tons
Sago	50 tons
Cinnamon	A small quantity
Sapan wood	Any proportion
Ebony	Ditto
Mother-of-pearl	Ditto
Canes and rattans	Ditto
Agal Agal or Hysy	Ditto
Massaroong	20 tons
Cloves	30 tons

Letter to the Governor and Council at Fort St. George, 22 March 1762. Fort St. George Public Consultations, 1762, V. 20, f. 176-80.

Madrid "lay outside the Spanish and Dutch limits." They further maintained that "the cruelty and tyranny of the Dutch is become intolerable everywhere and the extreme indolence of the Spaniards in the Philippines renders them of little consideration."[1]

In order to fulfil Dalrymple's contract with the Suluans, the Madras Council arranged to send the first available vessel with the contracted cargo. It was important that the India goods should get to Sulu as early as possible, since the sight of them would not only encourage the contractors there to collect the stipulated goods for exchange, but also forestall the sale of the latter to the Chinese.

The London got clear on 10 June 1762, with a cargo amounting to Pagodas 15,782.[2] The instructions which Dalrymple received for this voyage are interesting for the insight they give, not only into the larger purposes of the service but also the nature of his commission. He received two separate instructions, one from the President[3] and the other from the Council.[4] The latter did not provide for his remuneration, "persuaded that his good and faithful services will meet with a more ample reward" from the Directors. Pigot's instructions were made from "circumstances of a private nature improper for public view." While the voyage was designed

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1 General Letter, 17 April 1762, Madras Letters Received, No. 1A.

2 The rate in the 1760's was from 14¼ to 16½ dollars to 10 pagodas. Fort St. George Public Consultations, 1764 and 1768, passim.

3 President Pigot's Instructions was dated 9 June 1760 in H.M.S., V.771 and were so taken by several authors. Reference to it in two letters from Dalrymple to the Court rectifies it to 1762. Moreover, Kelsall, mentioned in the contents, went with Dalrymple on his second not his first voyage to Sulu.

4 Extracts in An Account of what has passed, etc.

to establish commerce with Sulu, Dalrymple was to make every kind of observation in the course of it. The Eastern Islands had by now become strategically important in the conduct of the war against the Bourbon combination. A successful wedge into the Spanish preserve might hasten British victory and open up fresh avenues for further expansion of British territorial trade. Dalrymple in fact toyed with the idea of wresting from them the southern Philippines or Luzon and using this conquest as a counterpoise in the peace negotiations with Spain.[1]

But the immediate concern with regard to the matter at hand was the trade of the Malayan archipelago. Europeans who might question the right of the English Company to trade with Sulu must be treated with "the utmost circumspection." They must be kept in the dark as to the circumstances of the British alliance, the position to adhere to being that on Dalrymple's first arrival in Sulu, the people declared themselves free from any engagement with other European states. Efforts should also be made to obtain a treaty with the Bugis princes similar to that with Datu Bandahara, and further to encourage them to bring specimens of spices for experimental cultivation in Sulu. As an extensive commerce with the Suluans would ultimately require a base for the English, the northern end of Borneo and the port of Banguey should be examined for a suitable place.

The reasons behind Dalrymple's choice of Sulu, through which to

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1 Plan of an expedition for the conquest of the Southern Philippines, authorship of which is not indicated on the document but ascribed to Dalrymple as entered in the catalogue of the British Museum and clearly in his handwriting, also dated 23 November 1762, which was after the successful taking of Manila and while Dalrymple was busy at Sulu for concessions to the British. Add. MSS. 19,298.

re-establish an English foothold amongst the Eastern Archipelago, provide a further insight into the nature of British interest in the area. Sulu was the center of an archipelago whose sultan also enjoyed "imperial" jurisdiction over "one-half" of Borneo and the greater part of Palawan or Paragua.[1] Dalrymple maintained that its geographic position with respect to China, south Asia, and important countries of Malaysia was suitable for communication and trade with these parts; it might also be worth exploring for opening up commerce with Japan. It was near the equator and could therefore be approached from every quarter at any time. It was also known to be on an amicable footing with Borneo, Celebes, and Mindanao, three relatively untapped places in the Eastern Archipelago for production and trading purposes in the European sense.

The products of the Sulu Archipelago, Dalrymple held, were suited chiefly for the Chinese market, but some, like cowries had a demand in Bengal, and a few others might in time be popular in Europe. Its pearls, for instance, were of a reputedly high quality. Dalrymple estimated that about half a million dollars' worth of goods could be procured in Sulu

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1 Dalrymple's Memoir of Sooloo, along with his other related accounts written in the form of letters to the Company and others, is perhaps the most informative selection on the state of commerce and economic relationships of the Sulu archipelago to be had for the period under study. Spanish accounts deal almost exclusively with piracies and campaigns, and those mostly by clergy with their religious pre-occupations. It was not until the second half of the nineteenth century that anything approaching social history could be had for this late addition to Spanish dominions. A copy of the "Memoir," No. 22 in Volume 67 of the Orme Collection Various, fol. 97-131, is stated in the table of contents to be Stuart's. It is no doubt Dalrymple's, repeating verbatim the facts in his pile of correspondence on the subject.

annually, all to be purchased with Indian and European goods at a high margin without the use of bullion. He had the word of Atjehnese settled in Sulu that from Borneo alone, about 300 piculs of birds' nests might be obtained each year, which at the Sulu price of 500 dollars per picul would yield in China more than three times that amount. The birds' nests of this part of Malaysia were more highly esteemed than those sold in Manila, even if not as white. The other products of the area which could be developed on a commercial scale were cinnamon, cloves, pepper and sugar.

In Dalrymple's mind, however, the unique importance of Sulu lay in the prospects of rechannelling the China trade. The junks from the more northern ports of China, which skirt the coasts of the Philippines and Formosa to guide them on the long, circuitous way to Batavia, would easily prefer the direct track to Sulu. Moreover, the vexatious charges laid on merchants trading in Manila and Canton would be done away with by diverting their trade to the English settlement in Sulu.[1] Thus, in time, this place would become the principal mart for Chinese, Indian, European, and Malaysian products.

Next to the China trade, that of the Bugis would be most profitable for the English to intercept. This people had spread their commerce over a wide area, with Passir on the east side of Borneo as the center of their activity. Numbers of vessels came to this port with piece-goods which the Bugis distributed over much of the Eastern Archipelago as far as Papua and New Holland, and in return for which the Bugis brought back commodities for

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1 Relief from the port charges of Canton alone would mean a saving of £1,200 on each ship. Ibid.

Batavia. Much of the Bugis trade was clandestine, being carried on in territories over which the Dutch claimed a monopoly. As the Bugis had no jurisdiction in Passir, they could be easily induced to transfer their center of activity to a neutral port such as the English would have in Sulu.

We need not dwell on the validity of Dalrymple's judgment with respect to the situation and the possibilities of English trade in Sulu territory. Later events proved how much of it misfired. His greatest function lay rather in acquainting the English with peoples and places they had had no knowledge of, which might well have sparked off the interest which they showed throughout subsequent decades with regard to Malaysia. The East India Company, in particular, from this time on, was to be kept constantly aware of the needs of their commercial interest in East Asia and of the high stakes in Malaysia. As we have seen, the trading base which he proposed for the English in the Eastern Archipelago was not to be a mere gathering-place for spices and pepper to be sold in Europe and China, the preoccupation of previous endeavours. With respect to British interests in Malaysia, his proposed settlement in Balambangan was the forerunner of Penang and Singapore.[1] But within the broader needs of the China trade, his proposals foreshadowed more closely the acquisition of Hongkong.

In his first voyage to Malaysia, Dalrymple reached Sulu from China

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1 For the origins of Penang and Singapore, see C.D. Cowan, Nineteenth Century Malaya, Oxford University Press, 1961.

by passing through the Philippines. The passage, however, which he had in mind for the China and India ships in the proposed commerce with Sulu was the entrance between the China and Sulu Seas, separating north Borneo from south Palawan. On his second voyage, Dalrymple set out to examine this passage, of which apparently there had been no reliable chart made yet. His only guide was a chart which he had himself reconstructed from the observations of an aged native pilot he met on his first visit to Sulu, and which was proved right on the second voyage. The Strait of Balabac, as the opening was called, was bounded on the north by the islands if Balabac and Lumbucan, and on the south by Balambangan and Banguey, with a number of smaller islands across it; thus, it was not one but several straits.

On the outward journey of the London from Madras, in June 1762,[1] entrance into the China Sea was made by way of the Strait of Malacca, a place "so much frequented by Europeans, yet so incorrectly plotted." The London then steered a course along the northwest coast of Borneo,

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1 A most valuable account of the voyage survives in James Rennell, Journal of a Voyage to the Sooloo Islands and the Northwest Coast of Borneo, Fort St. George, 30 October 1763. Add. MSS. 19,299. Rennell, "who was later to become the Surveyor-General of Bengal and the great geographer of India," was lent by Captain Hyde Parker of H.M.S. Grafton to accompany Dalrymple on this voyage "in the capacity of his companion and assistant draughtsman or surveyor." A note by the author at the end of the MS. says: "The Charts, Plans, and Views, belonging to and mentioned in this Voyage, were all lost in the ship Union in Madras Road in October 1763, this Book being saved by remaining on shore. Copies of most of these Plans, etc. are in the hands of Alexander Dalrymple, Esqr., lately gone to Europe."

Another MS. copy, believed to be the original, was advertised for sale in the Quaritch Sale Catalogues of 1952 (No. 976).

"the particulars of which were entirely unknown to Europeans."[1] Passing the north promontory of Borneo, the London then entered the large bay formed by Banguey and Balambangan with the mainland. After coasting the northwest side of Balambangan, she soon made the Strait of Balabac, between the islands of Simanahan and Salingsingan.

Of the Sulu Archipelago, Dalrymple charted eighty islands, thus completing the work begun on his first voyage. Before returning to Madras, he had the harbor of Balambangan surveyed and wound up his examination of the Straits of Balabac, two of which, he observed, were safe passages for ships.

On a commercial view, the London voyage was somewhat disappointing. Some of her cargo was damaged by bad weather on the way. In Abai, north Borneo, Dalrymple received the news of the death of Datu Bandahara and of the smallpox epidemic which had swept over Sulu. In Banguey, it was reported that four Spanish ships and several smaller vessels had arrived in Sulu from Manila with the deposed sultan, Fernando[2] Alimudin I. On his arrival in Sulu, Dalrymple found that the news about the Spaniards was only idle talk,[3] but that the

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1 To the cessions and grants Dalrymple was collecting was added the so-called Treaty of Bira Birahan, concluded on 26 July 1762. It was made with the chiefs of Tampasook and Abai who ceded the island Usoocan and the territory to the northward of Abai River and undertook to bar other Europeans from their country. H.M.S., V.629, f. 463-5.

2 He received baptism in Manila and was given this Christian name.

3 Governor Obando undertook in 1751 to restore Alimudin on his throne, but the latter with his entire retinue was returned to Manila, a prisoner, allegedly for conspiring with his brother Bantilan against

Bandahara's death[1] and the epidemic spelt greater inconveniences than he had supposed. The goods to be exchanged for the London's cargo had not been collected yet, as the epidemic had cut off the sources of supply. A new contract had to be made, as many of the datus who were involved in the first one had died. But the persons with whom the English were now compelled to deal, were thoroughly ignorant in matters of trade. They refused to contract for the cargo of the Indiaman which was to follow the London to Sulu, because they could reckon profits only by the actual sight of goods. Datu Juan Patatawan, had none of the influence and acumen of his predecessor. The Sultan who was not concerned in the contract of 1761, now tried to undermine the new agreement by insinuations against Datu Juan, with the result that "one half of the town appeared in arms against the other." Fortunately, the opposing camps only made a lot of noise, and not a drop of blood was shed.

The mode of securing this part of the contract was finally settled amongst the Sulus, but sqabbling broke out anew with regard to the distribution of the London cargo. A settlement was reached after a whole month had elapsed.

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the Spaniards. Obando's successor, Arandia, sent all the princes and princesses, datos and women detained in Manila back to Sulu hoping thereby to end the wars with the Moros. Archbishop Rojo, acting governor at the seige of Manila, was arranging the return of Alimudin and his heir and had fixed the date for November 1762.

1 Dalrymple writes that the Bandahara "was taken ill not without suspicion of poison, as he and a former rival of the Sultan died under the same extraordinary circumstance, all their hair dropping off." Account of Sooloo ..., 1765.

The new contract[1] stipulated the delivery of Sulu goods to the amount of 20,000 Spanish dollars three months from the receipt of the English cargo and a second delivery of the same amount within eleven months. The conditions of exchange were the same as those in the first contract. After they had discharged the London account, the Sulus were to have the cargo of the Royal Captain, when this arrived, at the same rate of 100 per cent on the Coast invoice. The goods which they were to deliver in exchange would then be carried to China at their risk and sold for their account, under the same conditions for surpluses and deficiencies as in the first contract. It should be noted that the second 100 per cent required as profit for the English on Sulu goods sold in China under the agreement of 1761 was eliminated, and instead the Sulus were to undertake the transport of those goods in China and assume the risks of carriage.

When the payment of the first portion of the London cargo was due, all the goods were not ready, and those which were put on board the English vessel were mostly cowries, an article for which there was no demand in China. Nevertheless, even if all the goods had come, the London could not have taken them all in from lack of space. In fact, as the rest of the goods arrived, the English rejected them under the pretext that the Sulus had delayed their delivery. When the London left on 7 January 1763,

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1 Articles of the contract are enclosed in letter cited below, f. 154-7; "concluded between the United Company of Merchants Trading to the East Indies and the Datos and Orankys, etc., of Sooloo, by Alexander Dalrymple for the English Company and Dato Juhan Pattawan for himself and those whose names are hereunto affix'd."

the Sulus had collected enough goods to fulfil their engagements, only three days behind schedule if the expected second ship had arrived.[1]

The London was scheduled to return to Madras before November of the previous year, but she had run out of provisions waiting for the Indiaman which was to follow her to Sulu as planned. Unable to get any assistance from the Sulus, Dalrymple thus set out for Zamboanga, the Spanish fort and settlement on the southwestern tip of Mindanao. In the afternoon of 21st November, a Spanish boat informed the English of the war between the two nations. This left Dalrymple only one alternative, to return to Sulu. On 24th December, the news of the surrender of Manila to the English invaders was received.[2] After this, the English in Sulu noticed "a much more pacific" attitude on the part of the inhabitants, and soon obtained provisions.

The London arrived back in Madras on 26 March 1763. In view of the current situation in Sulu, Dalrymple advised that no further arrangements ought to be entered into with the Sulus until the outstanding account had been settled, and indeed, unless there was a change of government. The best mode of commerce with them was through some individuals, like the Bandahara and the Patatawan, who could be held responsible for the performance of the contract. The man who now appeared to be the most eligible was Datu Sarapodin, Bantilan's nephew and the exiled Sultan's son

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1 This account of Dalrymple's second visit to Sulu is taken from his letter to the President and Council of Madras of 30 March 1763 written jointly with his Assistant, Thomas Kelsal, and read and entered in the Consultation of 12 April 1763. Fort St. George Public, V. 21, f. 141-54.

2 Rennell, op. cit., f. 75.

by a concubine. Dalrymple further recommended that the Suluans should be allowed to freight Company ships for transporting local products. Above all, an English settlement should be established as soon as possible to facilitate the proposed commerce and cultivation of spices in that quarter.[1]

On 4 July 1763, Dalrymple left Madras again, on the Neptune, to collect the Sulu debts.[2] Arriving on 7th September in Sulu, he was met with the disconcerting report that the goods of the Royal Captain, which arrived after the departure of the London, had been divided among the Suluans despite the opposition of Datu Sarapodin, who insisted that the London cargo ought to be cleared off first. Moreover, Datu Juan Patatawan had died and his charge, under the contract with the English, had since passed through several hands, with the result that the person on whom it now rested had very little understanding of it.

Meanwhile, the Company Directors had not been pleased with the results of the project in Sulu. At the moment a settlement there was unthinkable, unless it was well fortified and maintained with a respectable force, to secure it from "such malicious, designing people who seem to be as little civilized as the generality of the Mallays are, who are remarkable for their inhumanity and have frequently cut off those that are dealing with them, whenever there has been the least opportunity given by an inattention

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1 Vide, letter of 30 March 1763, loc. cit., f. 153-5.

2 See "Account of Sulu," loc. cit.

to security in those that have been trading with them... "[1]. They were referring apparently to the murder of two of Dalrymple's men which remained unredressed, but the worst was yet to come. However, the Directors would keep Dalrymple's scheme in mind, until the opportune time, aware of the advantages which could be derived from the existing relations between the Suluans and Amoy Chinese. In the meantime, the Madras Presidency should continue its trade with Sulu as this might soon be a source of commercial quantities of capital articles for the European and Chinese markets.

The Neptune left Sulu on 19 September 1763, leaving a balance of 74,672[2] dollars payable to the English. She had arrived very late to allow the collection of all the goods, while those that had been gathered before her arrival were sold to the Chinese. Instead of returning to Madras, Dalrymple steered the Neptune to Manila, where, as he said, he was to communicate the state of affairs in Sulu. He arrived in the British-occupied city on 6th October.

Let us return to the original objectives of Dalrymple's second voyage to Malaysia. By way of securing the commerce of the Sulu Sea to the English East India Company and to forestall any contrary claim which another European power might put forward, President Pigot's Instructions of 9 June 1762 gave Dalrymple leave "to obtain the absolute cession of some

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1 From General Letter to Fort St. George, 9 March 1763. Madras Despatches, No. 2.

2 This included the 100 per cent profit laid on the original cost of the goods as delivered to the Suluans.

convenient spot in the Sulu dominions" for a settlement. The latter, after examining the islands off the northern promontory of Borneo, settled his choice upon the island of Balambangan, "as equal to (his) most sanguine wishes and much exceeding any expectations he could have formed."[1] Dalrymple then caused Sultan Bantilan to hold a council of all the Sulu chiefs, in which the cession of the island was proposed and granted. This was said to have taken place on 12 September 1762.[2] On 23 January 1763, Dalrymple further maintained, he took possession of the island and hoisted the British flag.

In Dalrymple's mind, however, the acquisition of Balambangan was not enough. To ensure control by the English of the proposed gateway into the Sulu Sea, i.e., the Strait of Balabac, dominion must be obtained over the lands and islands converging on it. To bolster his position, Dalrymple wrote to Fort St. George that on his arrival in Sulu in July 1763, he found the Dutch trying to make an alliance with the natives.[3]

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1 Letter to the Court of Directors, 30 October 1769, H.M.S., V. 771, f. 189-222.

2 In the marginal note of "Case and Opinion of Council respecting the East India Company's Right to establish a Settlement at Balambangan," submitted with the letter to Lord Weymouth from the Chairman and Deputy Chairman of the Company, 10 February 1770, it is stated that "the grant is mislaid but it is recited in the following grant of the 19th September 1763." Ibid., V. 102, f. 36-7. A letter from Dalrymple to the Secret Committee of the Court of Directors written on the London off Malacca, dated 5 February 1761, probably a copyist's error, advised of his receiving a cession of the island "with a promise of such other adjoining islands as (the Company) may have occasion for." Borneo Factory Records, 1648-1814, No. 52 of Packet IX.

3 Letter from Dalrymple, 10 October 1763, in Fort St. George General Letter to the Court of Directors, 4 May 1764. H.M.S., V. 771, f. 79-81.

He thus thought it necessary in the Company's interest to obtain the cession of the southern part of Palawan and the northern end of Borneo, with all the intermediate islands. The cession was said to have been made by Sultan Alimudin II, son of the deceased Bantilan, on the day of the Neptune's departure from Sulu, on 19 September 1763.[1] The cession was also allegedly signed by the three sons of the deposed Sultan (Alimudin I, who was still in Manila), one of whom being Israel, the heir apparent to the Sulu throne and who had arrived in Sulu with his English escort on 8th May.

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1 The Spanish translation of this cession with date 19 September 1763 was delivered to the Company by Dalrymple 30 March 1768 and was returned to him as it was "not clearly expressed." The outside of the document refers to the cession of Banguey but the contents makes no mention of other islands to the north of Borneo, particularly Balambangan. Dalrymple's account of the matter was that the packet containing the original and Spanish translation was delivered to him sealed up on 19 September 1763, just before the Neptune struck sail. When he reached Manila he opened the packet to show it to the deposed Sultan and found it "considerably different from what (he) expected." He said that his application was for a cession of the south point of Palawan and the north end of Borneo, with all the intermediate islands, and this "though imply'd is not clearly expressed" in the Spanish. Besides that, the people who signed were not properly those in authority. Thus, Dalrymple wrote, he took the liberty of keeping the Spanish translation and sent the Malay only to the Company in 1764.
See Note to his letter to the Secret Committee, Manila, 7 February 1764 in Borneo. The document in H.M.S., V. 629, f. 479-81, said to be the original in Spanish, is undated and quite unintelligible. The English copy in H.M.S., V. 99, which was enclosed in the letter of the Court of Directors to Lord Weymouth, 16 December 1768, is poorly written. Other copies in English are in Borneo with notes and H.M.S., V. 102, in the latter as an appendix to the "Case and Opinion of Council respecting the East India Company's Right to establish a Settlement at Balambangan submitted to Lord Weymouth by the Chairman and Deputy Chairman of the Company, 10 February 1770."

There is no doubt that Dalrymple resorted to Manila in 1763 to make further arrangements with the deposed Sultan before the latter was returned to Sulu by the English. He suggested placing the government of the Sulu districts in Borneo and Palawan, which had been ceded to the English, in the hands of Sarapodin, his new-found support in Sulu, to which the Sultan agreed. On the other hand, the treaty which the British Governor and Council of Manila had entered into with the Sultan should be abrogated.[1]

This treaty had been the subject of protest from Archbishop Rojo, the Spanish Governor of the Philippines at the arrival of the British, who claimed that the exiled Sultan had promised to turn over Sulu, Basilan, Paragua and all the Sulu towns in Borneo to the Spanish.[2] The Sultan, on his part, alleged to the English that he had not conceded so much as the Archbishop claimed, and that he had acted from necessity

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1 Alimudin and his heir Israel put themselves under the English protection during the attack on Pasig, just outside Manila. The British government voted a monthly allowance for them and their family and arranged to return them to Sulu. An ambassador from this kingdom had been in Manila for some time with an invitation from Bantilan to his brother, the deposed Sultan, to retake his throne. The latter, for his part, then offered to the English Company "such part of his dominions on Xolo or Borneo as they may chuse to erect factory or factory's for the security of their trade," also "to confirm the Treaty of Commerce between Mr. Dalrymple and (Bantilan), to give the English the exclusive priviledge of trading free from all customs, and to enter into an alliance offensive and defensive for the mutual protection of their possessions." The Manila Council deferred resolution on the matter until Dalrymple arrived. When he did not come, they went ahead with the proposed alliance, thinking that its terms "would not interfere but rather confirm" Dalrymple's engagements. The treaty went under date of 23 February 1763. Manila Consultations, V. 6.

2 Letter to Governor Drake and his Council, 19 March 1763. Ibid.

rather than choice. As any treaty with the English could be made to appear to be under the same compulsion, it would be best to insist on the validity of the de facto government only. Dalrymple thus proposed to Alimudin to call a convention of the Estates when he arrived in Sulu to declare publicly that no acts concluded by him outside of Sulu should be in force, whether with English, Spanish, or others. The Sultan was said to have bound himself to do this.[1]

Dalrymple found other faults in the Manila Treaty. It obliged the British to install and support Alimudin I or his son Israel on the Sulu throne, thus precluding the English from taking a neutral position or backing up an opposition which might be more favorable to the Company's interest. Furthermore, it provided for an English fort on the island of Sulu where no commercial article of consequence was produced and where the suspicions of the natives were likely to be aroused by so close a military establishment. The Treaty slipped off into disuse, and was not heard of again since. The Company were to rely chiefly on the various treaties and grants which with their varying degrees of authenticity had been preserved and passed on to them by Dalrymple.

From Manila, Dalrymple decided to return to Sulu, ostensibly to recover the debts due to the Company. But what was really worrying him was the fluid state of Sulu politics and the need for ensuring the British title to Balambangan prior to the establishment of the settlement.

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1 Letter from Dalrymple to Company, 7 September 1765. Loc. cit.

Already the Company Directors had shown signs of impatience with the results of the Sulu experiment. They had sent explicit orders not to employ any of the large Europe ships to Sulu until that area had been sufficiently "frequented."[1] They complained that the cargo received on the Cuddalore was sold in China at a loss of about 30 per cent on the invoice price. Even the Madras Council had disavowed the proposed commerce which, "notwithstanding all Dalrymple's endeavours, is too trifling and liable to too many accidents and losses to be continued."[2]

Dalrymple turned to the Manila Council for a ship on which to go back to Sulu. He would not only try to recover the balance due to the Company[3] but also conduct Sultan Alimudin I to his kingdom, whence he had been exiled for sixteen years. The Council assigned the London for the purpose.

Meanwhile the British civil and military establishments in Manila were in a state of confusion. They had split on the matter of booty, and were now in a tumult over the question of authority for returning the conquests to the Spaniards and over the manner of evacuating the country. Negotiations with the Spanish "rebel" governor, Simon de Anda, for the

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1 General letter to Fort St. George, 30 Dec. 1763, Madras Despatches, No.2.

2 General letter to Company. 4 May 1764, Madras Letters Received, No. 2.

3 The Sulu debts had since increased from the voyage of the St. Anne. This ship left Manila on 17 April 1763 and arrived in Sulu on 8th May. The bales on board were delivered to Prince Israel who returned pearl shells and sago only 5,000 of the 31,029 dollars on the invoice. See Manila letter of 21 Sept. 1763 in Abstracts Fort St. George Letters Received, No. 1.

cessation of hostilities had dragged on for months due to intransigence on either side. The dilatory orders of conflicting authorities added to the deterioration of British morale. The Deputy Governor, Dawsonne Drake, was linked with various sordid affairs and was compelled to resign his post before the withdrawal of the British authority in Manila. Dalrymple, who looked upon the office and occasion as "equally disagreeable," was asked to take over.

Dalrymple's main concern now was to conduct the Company's ships to Madras. They were to go by way of Sulu and through the opening between Borneo and Celebes, since the season for the common passage, i.e., through the China Sea, was far gone.[1] The King's ships, after a futile attempt on the part of the commanding officer to put the other vessels under his direction, also went on the same track. All, except the sick, embarked on 16 April 1764 and arrived in Sulu on 19th May. Here, Dalrymple was reported to have detained "the London, the Squirrel and Cumberland gallies, 9 or 10 sampans containing from 1,000 to 2,000 Chinese, 1 officer, 39 Coffreys, 81 Sepoys and 4 artillery-men, and a large quantity of military stores."[2] This information reached Madras by private hands, and in their letter to the Directors, the Council disclaimed any previous knowledge of Dalrymple's intention. Obviously he was thinking of erecting a settlement on Balambangan, but they "could scarce think he would take

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1 Signed despatches to the Captains of the Revenge, Admiral Pocock, and Ilocos, 16 April 1764. Manila Consultations, V. 9.

2 Madras Military and Secret Cons., Range 251, V. 51 (1 Oct. 1764).

such a step without first consulting them or acquainting them of his intentions." The Council was worried that Dalrymple's measures might involve the English in a dispute with either the Dutch or Spanish. A protest had already been lodged with them from the Spanish governor of the Philippines against the English presence on the island of Sulu.[1]

The Directors' reaction at hearing of Dalrymple's procedures was one of annoyance. They would now positively forbid any new settlement without due report to them of its usefulness and an independent opinion from one of the Indian presidencies. With respect to Balambangan, they would allow a trial settlement on it at "a reasonable expense," but on the first sign of inconvenience and unprofitableness, it must be immediately withdrawn.[2]

Dalrymple did not, in fact, establish his proposed settlement. But he must have been tempted to do so; the force which accompanied him to Sulu would have made a most effective "visual aid" for such an undertaking in that uncertain area. He was also chary of exceeding his commission and had been put off by the lukewarm attitude of the Madras Council.[3] The British fleet did not stay in Sulu longer than was necessary for it

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1 The Spanish governor was Don Francisco Javier de la Torre, in an interim capacity, following the withdrawal of the British from Manila. Letter in Borneo Records, No. 10 of Packet IX.

2 Separate General Letter to Fort St. George, 26 April 1765. Madras Despatches, No. 3.

3 His chief supporter for his projects had been President Pigot who left Madras for England at the end of 1763.

to water there. Within a fortnight it was gone, leaving only the London and a galley with Dalrymple. A ship was expected to be sent from Madras to Sulu, and Dalrymple had requested that it be directed to go to Balambangan. He thus dispatched the London on 18th June with instructions for the expected ship. He followed in the galley on 3rd July and stayed in Balambangan until the beginning of September, when, no ship appearing, he returned to Sulu to load the London for China. Meanwhile, the galley had run ashore in a squall on Balambangan.[1]

In Sulu, Dalrymple had made fresh overtures to the new ruling clique. He pressed Sultan Alimudin, who had come on the London with the returning British fleet, to fulfil his promise made in Manila, that is, to partition his dominions in favor of his son Datu Sarapodin. But partisanship threatened to divide opinion on it, and to obviate such danger, the Sultan and the men who formed his council resolved to make a cession, "by way of sale,"[2] to the English Company of the Sulu districts in question.[3] The lines were carefully drawn to include that part of Borneo

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1 Letter from Dalrymple to Fort St. George, Canton, 1 Jan. 1765. Read and entered in the Madras Military Cons. (15 July 1765), Range D, V. 53.

2 What the purchase cost was in terms of money or any other tangible form was not indicated in the deed of cession and not one of the documents examined gives it. The original grant in Arabic, the corresponding one in English, and the Spanish translation are in H.M.S., 629, all received from Dalrymple by the Company on 26 October 1768. Court Book Minutes, No. 77, f. 262. Copies in English are in H.M.S., V. 99 with letter of the Court of Directors to Lord Weymouth, 16 December 1768 and in H.M.S., V. 102 with letter from the Chairman and Deputy Chairman of the Court to the same man, 10 February 1770.

3 The area covered by the "cession" was called Felicia by Dalrymple. See map following this page, photocopied from the engraved chart published by Dalrymple in 1770, preserved at the British Museum.


L. Lake
G. Gunong
B. Bukit
S. Sungi
A. Ayer
T. Tanjong
P. Pulo
Bay
Hillock
Hills
River
Water
Point
Island
BALAMBANGAN
FELICIA PROPER
PART of BALAMBANGAN
BALAMBANGAN
MALLOODOO
MALLOODOO BAY
BORNEO
Tuck Bangau
Tuck Ramunia
Tuck Ramunia
Tuck Bangau
Tuck Bangau
Tuck Bangau

proper from Towsan Abai to Kimanis,[1] the island of Palawan, and all the other islands to the north of Borneo. The full possession of Balambangan was ratified, and it was understood, though not expressed, that other Europeans would be excluded from settling in the neighborhood of the island; this was ensured in the cession by granting the English the control of the straits between Borneo and Palawan. It was also implied that the government of the ceded districts should be vested in Sarapodin. Accordingly, Dalrymple gave him a commission dated 30 July 1764.[2]

On 28 September 1764, before leaving Sulu, Dalrymple signed a treaty of commerce and friendship between the Suluans and his people,[3] which was in effect a confirmation of that entered into with Bantilan in 1761. This treaty was, however, only provisionsal until the English Company resolved on it, having been made chiefly "to quiet some little jealousies the Sultan had hinted."[4]

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1 Dalrymple gave the limits of this part of the acquisition as 6° North latitude on the East side to about 5½ North on the West. Account of Sooloo, 1765, loc. cit., The whole cession was under date 2 July 1764.

2 Ibid.

3 "Articles of Friendship and Commerce between the English and Sooloos, Alexander Dalrymple, Esqr. on the part of the United Company of Merchants of England trading to the East Indies and Sultan Mahomud Ally Modin Son of Sultan Badorodin for himself and his successors and by the Datos, Oranky's and others of Sooloo for themselves and their successors on the part of Sooloos this 28th day of September 1764." The originals in English and Arabic in H.M.S., V. 629, the Spanish (perhaps also original) in Borneo.

4 Account of Sooloo, f. 18.

With the Balambangan grant secure in his pocket, Dalrymple set out to work on the Company Directors in London. He arrived in Canton in November, departed there in January 1765, and reached England on 10th July following.[1]

Meanwhile, the opinion against Dalrymple's plans was hardening amongst the Company Directors. Captain John Desplan, who was put in command of the detachment waiting in Sulu to be taken away on ships from Madras, had made a damaging report on the situation in Sulu.[2] The Suluans would not assist him in providing for his exhausted men; they were in fact "more bent upon robbing the English." Their chiefs had very little power to prevent them and were inclined to behave in much the same way. They were "an ungovernable set of robbers and murderers given to lance-rattling at the first hint of dispute between one of themselves and an Englishman." The English had to be on their guard always, like "an advanced post before an enemy;" they had already suffered two killed and three wounded. The Sultan, who had just been restored by the English, commanded very little respect. Government was by mob rule. Desplans had seen the band of a "mean" man oppose that of the Sultan. The latter and his heir, Israel, were far from being friends of the English. Sarapodin, who had "espoused the English interest with sincerity," had fallen into disfavor.

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1 Extract of a letter from Dalrymple to the Court of Directors, 26 August 1768. Borneo, No. 20 of Packet IX.

2 Letter from Desplans, dated Sulu, 19 March 1765, read and entered in Madras Military and Secret Proceedings, (15 July 1765), Range 251, V. 51, f. 680-3.

The case of Captain George Dodwell added to the disgust of the Company. This man was sent in his snow Patty from Madras to fetch the stranded troops in Sulu, also to recover the balance owing to the Company, and to deliver some letters and presents to the Sultan and Datu Sarapodin.[1] Instead, he made use of the voyage to conduct his own business, causing unnecessary delays and giving the troops a bad time in the way of accommodation and provisions.[2] As to the situation in Sulu, what he had to say only confirmed the Directors' doubt about the feasibility of trade there. No one, not even Datu Sarapodin would own responsibility for payment of the debts to the Company. The Sultan was a man who "made large promises without intending to perform them," indeed "there was little dependance to be put on his word."[3]

On 4 January 1765, the Company sent orders to Madras to suspend the trade with Sulu.[4] They deemed Dalrymple's plans to settle on Palawan

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1 Vide, Madras Public Proceedings (22 July 1765), Range 240, V. 23, f. 314-6; Fort St. George General Letter, 18 Oct. 1765, Abstracts Fort St. George Letters Received, No. 1.

2 Several heavy charges were laid against Dodwell by the administration at Fort Marlborough. See Fort St. George Separate Letter, 4 Nov.1767, ibid.

3 Dodwell returned to England "to endeavour to obtain justice." He published his defense and counter-charges in A Narrative of the Principal Transactions Betwixt the Agents and Officers of the Honorable East India Company and George Dodwell, Esq., Commander of the Ship Patty; Respecting a Voyage to Sooloo in 1765 and 1766: With an Appendix, containing the Original Papers and Other Documents, 1773.

3 Abstract of a letter from Capt. Dodwell to the Gov. of Madras on his return from the Sooloo voyage, Madras, 7 June 1767, Appendix, Article XVIII, ibid.

4 Madras Despatches, No. 3.

and Borneo as impracticable, at a time when pressing matters in India required undivided attention. They were reserving these projects to such time when they could provide a proper force for the proposed settlement. Meanwhile, they were not renouncing any rights which the Company might have derived from the treaties and grants obtained by Dalrymple from the Sultan of Sulu. With regard to the Spanish claims over Sulu, they could not acquiesce in them, yet it was not the proper time to assert British pretensions, and therefore "it were best to avoid any discussion of the subject with them."[1]

But Dalrymple was not a man to be shaken off easily. By sheer persistence, he broke the Directors' resistance to his ideas. From September 1767 to mid-1768, the Joint Committee of Correspondence and Treasury, to which the matter was referred by the Directors, mulled over estimates of expenses, probable returns, the proper persons for the undertaking, the most feasible means of conducting the settlement, and the reliability of the natives.[2] The problem of interruptions from other Europeans, however, proved to be the most trying. In view of the situation in India, the Company would be risking too much if they were to embark on a new enterprise without the sanction of the King's Government, and this, they were afraid, could be had only at a price.

The Committee's opinion, submitted on 7 July 1768, indicated that

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1 See General Letter to Fort St. George, 19 February 1766. Ibid.

2 See especially minutes of 26 Feb., 1, 8 and 22 March 1768. H.M.S., V. 771, f. 116-20.

it would be to the interest of the Company to open a trade with the Eastern Archipelago, and that Balambangan was a proper place for a settlement from which to carry out that purpose.[1] On 11th August, the Committee recommended that orders should be sent to the administration at Fort St.. George to take possession of Balambangan and that the King's Ministers should be informed of the Company's act.[2] Six days afterwards, the Court of Directors passed the orders to be despatched to Madras.[3] More than a month elapsed before a letter was sent to Lord Weymouth informing the Government of the Company's orders for the acquisition of Balambangan and requesting his intercession that the King might grant his support and protection to the Company's new project.[4]

The King's reply, which was transmitted to the Directors by Lord Weymouth on 24 November, bore a reproachful tone. He had trusted entirely to the Company's knowledge of their own commercial affairs, but he was "extremely surprized" to find that his protection was desired on a measure upon which he had never been consulted, and that a piece of territory was being acquired upon no other right than that of utility, regardless of the political consequences to which such a proceeding might lead. The Company was thus directed to submit "without delay" all manner of information pertaining to the settlement, on the basis of which the King would

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1 Ibid., f. 120-1.

2 Ibid., f. 122.

3 Court Book Minutes (17 Aug. 1768), No. 77, f. 171.

4 H.M.S., V. 771, f. 122-5.

judge whether or not he should give the solicited support.[1]

The Company justified their act by an appeal to their Charter rights, insisting moreover on the validity of their title to Balambangan. But they were nevertheless willing to put a stop to the project if the King or his Ministers desired them to do so.[2] The Company was at the threshold of another constitutional crisis. In the first half of the eighteenth century, the right of the Company to a monopoly of the India trade was bitterly assailed. Since the military conquests in Bengal, the right of that same Company to the revenues of the conquered territories had been called in question. Whether such profits belonged to the nation or to individuals was to be argued both from the legal point of view and upon considerations of expediency. But the constitutional position which was clearly evolving was that where the Company's incompetence, corruption or rashness of policy endangered the national interest, ministerial intervention was a necessity and was not precluded by its Charter rights.[3]

In 1769, the Company was compelled to admit to the Ministry the bad state of their affairs in the Persian Gulf and parts of India in an effort to obtain assistance. The Government diagnosed the distress as due in great measure to "an infringement or neglect of the engagements entered into with other Europeans."[4] In exchange for the use of His Majesty's

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1 Ibid., f. 127-31.

2 Letter, dated East India House, 16 Dec. 1768, ibid., V. 99, f. 253-6.

3 Vide, F.P. Robinson, The Trade of the East India Company from 1709 to 1813, 1912, passim.

4 See first "Draught of Instructions to Sir John Lindsay, Knight, Full Power." Court at St. James, 7 Sept. 1769. H.M.S., V. 101, f. 53-5.

forces, Lord Weymouth wished to know what share the Crown would have in the deliberations and resolutions of the Company's government with regard to the "two objects of peace and war."[1] The Court of Directors debated on the subject at length, unable to reconcile themselves to a definition of the authority sought for the Commander of the King's forces in Asia.[2] The Ministry, somewhat in awe of the still powerful Company, was secretly framing its own instructions for Sir John Lindsay which were calculated to give him a bold and peremptory hand in the settlement of the Company's muddled affairs in the East.

In the end, however, the power and influence of the Company prevailed, and the Ministry was content to instruct Lindsay "to assist such councils as the Company shall appoint to deliberate upon the measures of peace or war with the Indian princes.[3] In a separate, secret letter, however, Weymouth was to persist in directing Lindsay to make the strictest inquiry into the Company's conduct towards the Nabob of Arcot. With regards to the Balambangan settlement, it was decided not to take a retrospective view of the "improper" manner in which it was concluded, but rather to look forward to the advantages which it would bring to both the

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1 "Extracts from the Minutes of the General Court of the East India Company: At a General Court holden 30 Aug. 1769." Ibid., f. 175.

2 Id., ibid., f. 175-81.

3 See "Draught of Instructions for Sir John Lindsay, Knight, or for the Commander in Chief of Our Ships and Vessels designed to be employed in the East Indies and of the Marine Force of the United Company of Merchants Trading to and in those parts for the time being." Court at St. James, 7 Sept. 1769. Ibid., V. 101, f. 59-63.

Company and the nation, under competent and enlightened management. Lindsay was therefore to give all due assistance for the success of the settlement and, at the same time, to prepare himself for such difficulties as might arise from the circumstances under which the settlement was obtained.[1]

In the year following, 1770, Lindsay informed the Bombay Presidency of the existence of a Spanish settlement on the island of Palawan, which had been included in the Balambangan grant given to Dalrymple. He was cautioning them against settling there without the King's approval and annoying the Spaniards with whom a treaty of peace then existed.[2] In 1775, just before the taking of Balambangan by a Sulu band, Sir Edward Hughes, successor to Lindsay and under confidential instructions from the Earl of Rochford to enquire into the Company's affairs in Balambangan, remarked on the negligence of Company servants in the settlement in giving accounts.[3] After the loss of the settlement, the Company had to rely chiefly on this Government channel for information on the disaster.[4] In the same year, they were notified by the Secretary of State of the

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1 "Draught to Sir John Lindsay, St. James 13 Sept. 1769, Secret from Weymouth. Ibid., f. 101-32.

2 Extract of General Letter to the Company from Bombay, 3 Dec. 1770. H.M.S., V. 771, f. 723-4.

3 To Earl of Rochford from Sir Edward Hughes, Madras, 17 February 1775 (extract). Ibid., V. 165, f. 141-2.

4 Extract of General Letter from Bengal, 20 November 1775. Ibid., V. 122, f. 1-8. By a packet sent to The Earl of Rochford from the Salisbury in Bombay Road, 22 March 1776, Sir Edward Hughes transmitted "every intelligence necessary for (the Earl's) information respecting the capture of Balambangan ..." Ibid., f. 259-368.

complaints put forward by the Spanish Ambassador at St. James against the Chief and Council at Balambangan who had been reported to be aiding pirates in the eastern seas to the detriment of Spanish shipping.[1]

From the date of Lindsay's instructions, a further year and nine months elapsed before the proposed settlement was finally effected. The Company Directors continued to press for the King's "blessing" of the project,[2] while they tried to bring Dalrymple over to their terms in the execution of it. Such was their uncertainty with regard to the project that they asked the Earl of Rochford to obtain a letter from the King addressed to the Sultan of Sulu, recommending the East India Company, their commerce, and interests to his protection.[3] The reply was that the King was not sufficiently informed of the rights of the Sultan and the objections which might be made by other powers to the proposed settlement, and therefore, "for prudential reasons did not think it proper to make it his own act by writing such a letter."[4] Much time was also spent on trying to

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1 Extract of East India Company's letter to their Chief and Council at Balambangan, 25 October 1775. Ibid., V. 118, f. 609.

2 The Chairman and Deputy Chairman of the Company, in their letter to Lord Weymouth of 10 February 1770, stating their case with respect to Balambangan, asked to see the Minister on the subject, but the latter, refusing to commit himself, agreed that "it should be considered as if nothing had past at that meeting." On 20 March, they wrote again, pressing him to signify if he had any objections to the Company's making the establishment, and once more he demurred. Ibid., V. 102, f. 18-79, passim.

3 Letter from Sir G. Colebrooke, Arlington St., 8 Feb. 1771. Ibid., V. 105, f. 37.

4 Letter from Rochford, St. James's, 14 March 1771. Ibid., f. 49-50.

establish the Company's rights to Balambangan. In a brief presented to Lord Weymouth on 12 January 1770, the Company stated their case against Spanish claims to suzerainty over the Sulu dominions.[1] Dalrymple's views were evident throughout, based on his somewhat spurious interpretation of the provisions of the Spanish-Sulu Treaty of 1646 and the ambiguous terms of the Treaty of Munster, and also his oversimplified translation of certain Spanish authors.[2]

The negotiation between Dalrymple and the Court of Directors regarding the conduct of the projected settlement, however, proved to be a more protracted business. Asked for his own conditions for undertaking the settlement, Dalrymple proposed, among other things, that the choice of the principal persons to go on the expedition should be left to him and that he should have the absolute management of the settlement.[3] The Court, jealous of their patronage and accustomed to the conciliar form of

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1 "Case and Opinion of Council respecting the East India Company's Right to establish a Settlement at Balambangan, 12 January 1770, submitted to Lord Weymouth, 10 February 1770, with enclosures." Ibid., V. 102, f. 18-51. Cf."Mr. Dalrymple's Defence of the East India Company's Right to the Possession of Balambangan in Opposition to the Pretensions of the Spaniards, 30 January 1770." Original in Borneo, No. 23 of Packet IX. The whole text was published by Dalrymple in 1774 as A Full and Clear Proof that the Spaniards Can Have No Claim to Balambangan.

2 These were Father Murillo, chronicler of the Jesuit Province in the Philippines who wrote Historia General de la Provincia de Philipinas de la Compania de Jesus, (Segunda Parte, Manila, 1749); and Father Combes, another Jesuit writer, author of Historia de las Islas de Mindanao, Jolo, y Sus Adyacentes: Progressos de la Religion y Armas Catolicas, Madrid, 1667.

3 At a Committee of Correspondence, 23 and 24 Aug. 1769, H.M.S., V.771, f. 151-61.

government for their territories, rejected these proposals[1] and resolved to put off the project for the remainder of 1769. Chagrined at this dilatoriness,[2] Dalrymple moved for the summoning of the Quarterly General Court where he would present his plans. The Directors demurred, declaring it unusual to call a Special Court unless at the motion of nine Proprietors.[3] Dalrymple's riposte was that he had not meant a special Court session, but rather a General Court which was at all times "open to every matter relative to the Company's interest." Assuming an impudent tone, he then declared that he would publish his "Plan,"[4] unless the Directors agreed to recommend to the General Court to refer the matter to a Committee of Proprietors "conversant in the affairs of the Company abroad."[5] The Directors were adamant; they considered submitting any business to any Committee of Proprietors at the time as "improper" and his publication of the plan as "greatly prejudicial to both Company and country."[6]

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1 Court Book (Minutes, 29 Aug. 1769), No. 78, f. 187-8.

2 Ibid. (Minutes, 18 Oct. 1769), f. 273.

3 Ibid. (Minutes, 29 Nov. 1769), f. 317.

4 The plan, embodying the most important of Dalrymple's ideas regarding the matter of a British settlement in the Malaysian Archipelago, was published in 1769 as threatened, under the title of A Plan for Extending the Commerce of this Kingdom and of the East India Company, by A. Dalrymple.

5 Letter to the Directors, Soho Square, 13 Dec. 1769, H.M.S., V. 771, f. 234-6.

6 Court Book (Minutes, 13 Dec. 1769), No. 78, f. 349.

In January 1770, his importunity renewed, Dalrymple submitted an estimate of expenses for the settlement for three years,[1] which was laid aside while the Directors waited for their lawyers to finish the brief proving the Company's rights to Balambangan island.[2] In March, he threatened again to introduce the subject before the next General Court, if the business was not terminated before then.[3] The Directors refusing to budge, Dalrymple turned to Lord Weymouth, with whom the Company was already having difficulties, urging the speedy communication of the Ministry's opinions on the matter, whatever they might be. He added that Vansittart in India was determined to pursue the project, with the utmost vigour, "whether anything about it was or was not done in England."[4] Dalrymple's letter was handed over by the Minister to the Directors.[5]

In July, Dalrymple again offered to found the Balambangan settlement "in joint commission" with his friend, Thomas Howe.[6] The Directors, however, remained firm on the idea of a council; but they would not specify its powers, appearing to wait till Dalrymple tempered his requirements. The latter then declared that he would accept a council in

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1 Letter of 10 Jan. 1770, H.M.S., V. 771, f. 223-31.

2 Court Book (Minutes, 10 Jan. 1770), No. 78, f. 395.

3 Ibid., f. 469.

4 Letter of 27 March 1770, H.M.S. V. 771, f. 256-7.

5 Letter to the Chairman and Deputy Chairman of the Company from Lord Weymouth, 30 March 1770, enclosing Dalrymple's letter to the Minister. Ibid., f. 249-54.

6 Letter to the Directors, 11 July 1770, ibid., 265-6.

transactions with Europeans.[1] But "in all internal regulations and forming laws for the good government of the colony and in all other political affairs," he must have the sole management. In matters of trade he did not see any necessity for extraordinary powers. He further remarked that the settlement would not succeed if it were made dependent on any of the presidencies in India. The rules resolved upon by the Court on 25th July confirmed practically all of Dalrymple's conditions, including that of giving the command of the ship to him.[2] Fresh disputes were to arise with regard to Dalrymple's recompense.

Dalrymple maintained that an annuity of £500 at the end of twenty years' service to the Company, plus three years in Balambangan, was not unreasonable. He gave a recital of his past services, and insinuated how an ill-provided, improper Chief might line his own pockets from the Company's disbursements.[3] The Court then fixed an annual salary of £1,000 for the Chief of Balambangan, to commence on his arrival there.[4] Dalrymple interposed an objection. The Court had deemed it fit to start his salary as Commander of the Britannia, the ship taken up for the expedition, from the day of his appointment, but denied the same for the Chief; "he was as much Chief of Balambangan as Commander of the Britannia."[5] Rupture was not far off now. Dalrymple had complained against the

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1 Letter of 17 July 1770, ibid., f. 267-82.

2 Court Book, No. 79, f. 104-5.

3 Letter to the Directors, 3 Aug. 1770, H.M.S., V. 771, f. 287-300.

4 Court Book (Minutes, 5 Sept. 1770), No. 79, f. 148-51.

5 Letter of 18 March 1771, H.M.S., V. 771, f. 349-52.

Surveyor hanging up his cot in the Great Cabin to sleep in;[1] and the Court peremptorily told him "to follow such orders as he shall from time to time receive from the Committee of Private Trade or the Committee of Shipping relating to the ship Britannia."[2] Dalrymple's application for a painter was also rejected.[3] Then the Court appointed a factor for the settlement against which Dalrymple inveighed as "in direct contradiction to the engagements of the Committee."[4] On 21 March 1771, the Court, "considering that an establishment at Balambangan must require the greatest address, moderation, and judgments, .. the persons principally employed ... should pay a due deference and obedience to the order of this Court; and Dalrymple, from his conduct of late, appearing to be a very improper person to employ on that undertaking," unanimously resolved "that he be dismissed the Company's service."[5]

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1 Letter of 29 Nov. 1770, ibid., f. 326-8.

2 At a Court Meeting, 30 Nov. 1770, ibid., f. 329.

3 Ibid., f. 330-2.

4 Letter of 6 March 1771, ibid., f. 340-6.

5 Court Book, No. 79, f. 421-2.

CHAPTER III

The Invasion of Manila, 1762.

While Dalrymple was maturing his plan for expanding the trade of the English East India Company, the carrying out of which was to disturb Spain's claim to a troublesome area bordering on her most vital Oriental possession, another Briton was laying a scheme for striking directly and decisively at the heart of that possession. Dalrymple saw the interest of the Company, as well as that of the nation, as best served by a policy of peaceful commercial penetration in the Eastern Archipelago. In this area, whose geographic position and natural productivity offered great commercial possibilities, he proposed raising trading settlements or bases with the ultimate objective of linking together major areas of consumption and production.

William Draper, on the other hand, was a soldier with other considerations in mind. It is difficult to ascertain his specific objectives in proposing an assault on Manila. It may be inferred, nevertheless, from the correspondence between the King's ministers and the Company's officers who considered the matter, that his proposal was in tune with the Government's preoccupation with problems of strategy and diplomacy. From his subsequent behavior, we may further deduce that he did not intend the conquest to be a permanent one, but rather thought of using it as a counterpoise with which to bargain for other political objectives.

Draper's credentials seemed to have derived chiefly from his "gallant behavior"[1] at the seige of Madras in 1759. Thereafter, he went

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1 Robert Beatson, Naval and Military Memoirs of Great Britain from 1727 to 1783, V. 2, 1804, p. 495.

to Canton on board the Company ship Winchelsea, which was under the command of Thomas Howe.[1] It was said that while in China "he had had opportunities of collecting satisfactory information with regard to the state of Manila, as to make him of the opinion that the conquest of so important a settlement might be attempted with well-grounded probability of success".[2] In giving their approval to the proposed expedition, the Government expressed the view that attacks on the settlements of Spain would cause distress to her, and that a blow against Manila in particular would cut at Spanish commerce and help English trade.[3]

The diplomatic and economic issues which led to the Anglo-Spanish War of 1762 can not be dealt with here at any length. We can only point out the principal difficulties in the relationship between the two nations. To begin with, European politics had revolved for many years around the maintenance of the so-called balance of power, and between France, England,

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1 Howe appears to have associated not only with Draper but also with Dalrymple. According to Beatson, Draper "met with great assistance from Howe" in drawing up a memorial respecting the proposed attack on Manila, which he was to lay before Lords Egremont and Anson. Dalrymple, for his part, "learnt seamanship from Howe". Both appear to have left Madras after the French seige and boarded Howe's Winchelsea, Dalrymple for the Straits of Malacca to catch the Cuddalore Schooner there and Draper for Canton on a sick leave. These facts are given separately in the Dictionary of National Biography, 1737 - 1808, where there is no indication that the two went on the same voyage. The detail about Dalrymple is in fact disproved by the Madras Public Consultations, 1759, V. 89, which records that the man sailed on the Cuddalore, not on the Winchelsea, on 16 April 1759.

2 Draft of secret letter from Lord Egremont to Major-General Lawrence Whitehall, 23 Jan. 1762. CO 77/20.

3 Secret Instructions to Brigadier-General William Draper from the Court of St. James (draft), 21 Jan. 1762. Ibid.

and Spain, the weights had to be watched most closely. War first broke out between France and England in 1756, precipitated by border clashes between their colonies in North America. Fear of a further rupture with Spain then began to mount in England, and with valid reasons.

Charles III had recently arrived from the Bourbon principality of Naples to become King of Spain. He was met with reports of British successes against French arms in America, which he construed as a threat to his own dominions in that hemisphere. He had also brought with him some ideas of industrial and commercial revival for his Spanish heritage. Bearing an old grudge against England, he was therefore quick to impute obstacles to his projected reforms to the British, whose commercial activities were in fact disturbing Spanish hegemony in the Caribbean.[1]

William Pitt, George III's indomitable war minister, penetrated through this array of circumstances. He believed Spain would eventually cast in her lot with France, to whom she was bound by dynastic ties. He thus urged immediate war against her before she could have time to prepare. But the peace party in England was gathering strength, and the truculent minister was driven to resign. Three months afterwards, war was declared against Spain. The Bourbon alliance, or the so-called Second Family Compact between France and Spain, which Pitt feared and correctly predicted had been brought to light.

The British invasion of Manila, which appears to be a mere episode in the great struggle between the three colonial powers, rather than a

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1 Vide, Richard Pares, War and Trade in the West Indies, 1739-63, 1936.

major part of the general British strategy, may be put in its proper perspective against a background of British policy in the East.[1] The conception and plan of attack have been ascribed to at least three persons, e.g., Pitt, Anson, and Draper. There is no doubt that it fitted well within Pitt's strategy of stabbing quickly and unerringly into the heart of the enemy's colonial power and wealth. Although he had not in actual fact proposed the reduction of Manila itself, his successors kept his policy in mind. Anson, to whom is attributed a similar scheme against Havana, the key to the Spanish power in the Western Hemisphere as Manila was in the East, is said to have been approached by Draper with the idea and may well have contributed to

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1 The most extensive modern account on the subject of the British invasion and occupation of Manila is The English Expedition to Manila in 1762, and the Government of the Philippine Islands by the East India Company. It is a thesis presented by K.C. Leebrick for the degree of Doctor of Philosophy at the University of California in 1917. Source materials used were typewritten copies of documents preserved in the Record Office at Madras under the title of "Manila Records", certain Spanish documentary collections at the Archivo General de Indias at Seville, copies of documents found in the Public Records Office and the British Museum in London, and the Ayer collection in the University of Chicago's Newberry Library. The work is crammed with details, somewhat lacking in unity, and mainly narrative in its manner of presentation. It reproduces all the mistakes in spelling of Philippine and Spanish names of persons and places either of the records themselves or from their transcription. The same defects mar the printed transcripts of the Madras Records made available in the India Office Library at London under the title, Records of Fort St. George - Manila Consultations, (in 8 books). Leebrick's thesis, nevertheless, provides some very interesting and useful side information, his interest in the subject dating back to a master's thesis presented in the same university in 1913 under the title The English Expedition to Manila and the Philippine Islands in the Year 1762.

There are a great number of Spanish accounts also treating of the subject. The standard ones are: Marques de Ayerbe, Sitio y Conquista de Manila por los Inglese en 1762, Zaragoza, 1897; Juan Ferrando, O.P., Historia de los P P Dominicos en las Islas Filipinas, etc., Madrid, 1870-2, V. 4 and 5; Eduardo Malo de Luque, Historia politica de los establecimientos ultra-marinos de las naciones europeas, Madrid, 1784-90, V. 5;

certain aspects of the project. As to Draper, it is certain that it was left to him to estimate the amount of force necessary to take the place.[1]

What has been overlooked, however, by writers on the subject, is the part played by the Company, or rather the influence exerted by this group in the final shaping of the expedition. True, the project was throughout essentially a Government undertaking. The King's Ministers deliberated and agreed upon Draper's scheme before the Company was asked to express its views on it.[2] They in fact assumed responsibility for its execution; in the actual campaign, the main strength was provided by the King's forces.

Yet it could not have been undertaken without the Company's assistance or even its accord. The resources of this powerful body would bolster up the project considerably and assure its success. Besides, the area involved lay within the Company's preserve.

On 29 December, 1761, the Chairman of the Company's Court of Directors was called before Lord Anson of the Admiralty. He was informed that "Government had an intention to order an attack to be made on Manila",

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Joaquin Martinez de Zuniga, Historia de las Islas Filipinas, Sampaloc, 1803; idem, Estadismo de las Islas Filipinas, [Annotated and published by W.E. Retana], Madrid, 1893; Sinibaldo de Mas, Informe sobre el estado de las Islas Filipinas en 1842, Madrid, 1843; Jose Montero y Vidal, Historia general de Filipinas desde el descubrimiento de dichas islas hasta nuestros dias, Madrid, 1887-95, V. 2.

1 Minutes of the Secret Committee, 8 Jan. 1762. Memoranda of the Committee of Correspondence, V. 20.

2 Ibid. See also letter from Newcastle to Hardwicke, 10 Jan. 1762, Add. MSS. 32933, f. 179-82.

and that "His Lordship desired to know what assistance the Company could give thereon".[1] The Chairman then laid the matter before the Directors, who after debating on it at length resolved to give "all possible assistance" to the proposed expedition. But for this promised aid, they meticulously laid down their terms.

Their primary concern was the security of their settlements in India and of their trade in the Eastern Seas. The Committee of Secrecy which they deputed to parley with the Ministry[2] on the measures to be taken to carry out the expedition was instructed to hold fast to the following conditions: that sufficient sea and land forces be left at the Company's settlements for their protection; that none of their ships should be employed on the expedition without their consent or that of their agents abroard; and finally, that in case Manila or other places be taken as a result of the expedition, they should be delivered to the Company.

The Secret Committee drew up a proposition which was laid before Lord Egremont, Pitt's successor.[3] At a subsequent meeting with Draper and Egremont's secretary, it was agreed that the Company would contribute to the expedition and the King's forces were to be employed "so far only as might be consistent with the safety of the settlements and trade in India."[4] In order that the Company's ships might not be diverted from

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1 At a Court of Directors, 30 December 1761. Court Book (of Minutes), No. 70, f. 251.

2 The transactions between the Committee of Secrecy and the Ministry were recorded in the former's Minutes of the 8th, 12th, 14th, 15th, 16th and 17th of January 1762. See draughts in Memoranda of the Committee of Correspondence, 1762, V. 20.

3 At a Committee of Secrecy, 14 Jan. 1762. Ibid.

4 Id., 17 Jan. 1762. Ibid.

their channels of trade, it was also agreed that the troops to be employed on the expedition should be transported on the King's men - of - war, with but one, or at most, two vessels from the Company to serve as hospital and store ships. The King's Minister further agreed to deliver to the Company whatever conquest should be made on the expedition, although they refused at first to commit the King outright.

The Government, however, held out on one point. The Company asked that their agents abroad be left to determine what force could be safely spared from the settlements for the expedition. They were in effect seeking for themselves the authority to decide whether the expedition should be launched or not. It was agreed to form a council and invest it with that authority. The discussion then turned on the choice of persons to serve on the council. In the end, the Company obtained only one seat, to be taken by the Governor of Fort St. George. However, the other members,[1] besides Draper, were men - on - the - spot, officers of the King doing service in the East, and could be relied upon not to prejudice the security of the Indian settlements. The ultimate decision then was to be made in Madras, upon Draper's arrival there, and the expedition was to be launched from there, if at all.

Two other questions were raised by the Company, but the Government tried to evade them. One concerned the distribution of booty. This had

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1 These were Rear-Admiral Charles Steevens, Commander of the King's Sea Forces in the East, his second-in-command, Vice-Admiral Cornish, and Major-General Stringer Lawrence, Commander of the King's Land Forces in the East. In April, before the invasion, Steevens died and his place was taken by Cornish while Commodore Richard Tiddeman succeeded the latter.

been the subject of acrimonious dispute between the Company's agents and the King's officers in recent Indian conquests. The Company tried to get a settlement of their share from the new project, which they hoped would be one-half of whatever might be brought in.[1] The Government washed its hands of the matter and left it to the Company and Draper to decide between themselves. Draper was said to have verbally consented to an equal distribution between Company and captors,[2] but upon embarking on the expedition, he arranged with the Commander of the King's Sea Forces to assign the Company only a third of the total booty.

The other question was whether the Company was entitled to compensation for whatever expenses they might incur in the expedition, in case it did not prove profitable to them. It should be noted that neither the Company nor the Government expected to retain Manila after the Conquest.[3] The Government at first refused to undertake to reimburse the Company for such expenses, but seemingly eager to accommodate the

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1 See letter to Colonel Draper from the Secretary of the Company, Robert James, East India House, 19 Jan. 1762. Correspondence Memoranda, 1762, V. 20.

2 Secret Minute, 21 Jan. 1762. Ibid.

3 The Company's view on the matter was expressed in the following terms - "Manila being an object of infinite importance to the Spanish nation, the Company can hardly flatter themselves with holding it when peace takes place. Great sums must certainly be expended on the works and fortifications and in garrison charges, and the advantages are distant. Trade must be created and new channels opened for we can expect no intercourse with the South Seas, and before we are there established according to human reason, the Company must deliver it back again". At a Committee of Secrecy, 14 Jan. 1762. Ibid.

Company, acquiesced in the end. Furthermore, following the suggestion of the Company's representatives, the Ministers instructed the two Commanders-in-Chief on the expedition to attempt the conquest of Mindanao in southern Philippines, after the taking of Manila, where a settlement might be established for the benefit of the Company.

While the Company still pressed Draper on the question of plunder, the Government issued its instructions on the conduct of the expedition. Draper was appointed head of the entire attacking force, with the rank of brigadier-general, and was ordered to proceed to Plymouth, thence to embark for Madras.[1] Two days later, on 23 January 1762, a secret letter was addressed to Major-General Stringer Lawrence, Commander-in-Chief of the King's Land Forces in the East, informing him of the expedition and of the procedures to be followed toward its execution.[2] On 25 January, Whitehall issued its Secret Instructions to Rear-Admiral Charles Steevens, Commander-in-Chief of the Royal Navy's forces in that area, repeating the essentials in Draper's mandate, including the injunction for mutual cooperation on the project between the naval and military branches.[3] The Company also received a communication from Whitehall, reiterating Draper's instructions and requesting as much aid as the Company could provide in the way of troops, artillery, stores, and ships. They would be reimbursed for their expenses, and should Manila be restored before the Company

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1 Secret Instructions to Brigadier-General William Draper from the Court of St. James (draft), 21 Jan. 1762. CO 77/20.

2 Draft of Secret Letter from Lord Egremont to Major-General Lawrence, Whitehall, 23 Jan. 1762. Ibid.

3 Secret Orders and Instructions to Rear-Admiral Chas. Steevens, 25 Jan. 1762. Adm. 2/1332.

could gain any commercial advantages, they would be compensated accordingly.[1] The Company, in turn, issued their instructions to the Presidency of Fort St. George, but these were merely informative, rather than mandatory, as the expedition depended entirely on Draper's arrival in Madras and the charge rested mainly with him.[2]

It is evident that the Company was not eager to join the enterprise. They had had enough military trouble in India and did not care to have more. Moreover, their knowledge of the Eastern situation gave them reasons to think that they stood to lose rather than gain from the expedition. Spain certainly would not acquiesce in the permanent loss of so important a possession as Manila. They were as sure as the Ministers who promoted the project that Manila would have to be returned to Spain after the war ended, if the higher stakes in the New World were to be won.[3] Their agents in Madras especially, were content to leave Manila in Spanish hands. There had been a reliable influx of silver from that port in exchange for Indian and Chinese goods which British ships had been able to send there under Asian colors.[4] A resort to arms would certainly cut

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1 Letter from Whitehall to the Secret Committee of the East India Company, 23 Jan. 1762. C.O. 77/20.

2 Separate Letter, 21 Jan. 1762, per Colonel Draper on the Argo and Tilbury. Madras Despatches, No. 2.

3 By the treaty of peace signed on 10 Feb. 1763, Spain ceded Florida and logwood rights in Honduras to the British, receiving back Havana and Manila.

4 The transactions in bullion which were carried on between the Madras Presidency and Manila are described in the chapter on trade.

off this bullion supply, as future events proved.

The only foreseeable advantage they could derive from the proposed campaign was the alienation from Spain of the southern islands, near where the spice center and the Spanish possession abutted, and consequently the establishment there of their bases. Dalrymple's reported success in obtaining a treaty with the Sulus, a Mohammedan people always at loggerheads with the Spaniards in Manila, bolstered their hopes for a share, at last, in the spice trade. Thus, as a corollary to the proposed expedition, the Company suggested the taking of Mindanao, whose people bore an affinity to the Sulus, as soon as the operations against Manila were over.[1]

Draper arrived in Madras on a royal frigate, the Argo, on 27 June, 1762.[2] The Council for directing the expedition was assembled, and on 10 July, they issued their resolution outlining the state of affairs in India and recommending the size of force which could be spared for the Manila expedition. The Indian settlements were not in any imminent danger. Besides, by the following November the outcome of the invasion would have been known, and by January of the following year, a great part of the squadron and land forces would have returned to the Coast.[3]

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1 See instructions to Draper and Steevens above.

2 Madras Military (Diary) and Consultations, V. 48, f. 80.

3 Copy of a letter from the Council appointed for directing the expedition against Manila to the President and Council of Madras, 10 July 1762. Home Miscellaneous Series, (hereafter abbreviated as H.M.S.), V. 77, f. 1-4.

Major-General Lawrence, however, thought differently and did not sign the resolution. He believed that the reduction of the forces on the Indian settlements would encourage the enemy in their vicinity to make fresh attempts against them.[1] The general's dissent greatly worried the Madras Council, as his judgement from his long experience and proven abilities was highly valued in those parts. This must have accounted for their rejection of most of Draper's requests. In fact, as the latter complained later, the gentlemen at Madras "took every method in their power to discourage the attempt against Manila".[2]

The amount of force available at the Madras Presidency for the expedition greatly disappointed Draper; indeed it fell far short of his expectations. In the conferences at London, he had suggested 2,000 troops as an adequate contribution from the Company.[3] In Madras he found difficulty in getting even half that number. Somewhat despairing, he then asked to be supplied with some fifty additional European soldiers, in return for which he would be willing to settle for only 1,000 Sepoys. His request was denied on the ground that any further diminution of the European contingent on the settlement would endanger the latter.[4] In the end he got only about 600 Sepoys, half of whom

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1 General Lawrence's dissenting opinion was delivered before the Madras Military Council on 10 July 1762 and reproduced in full in Madras Military Consultations, V. 48, f. 105-112. It is a detailed, perceptive exposition of the situation in India.

2 Letter to Whitehall, 2 Nov. 1762. WO 1/319.

3 At a Committee of Secrecy, 8 Jan. 1762. Memoranda of the Committee of Correspondence, V. 20.

4 Madras Military Consultation, (13 July 1762), f. 128.

were "raw and new-raised".[1] To these the Madras presidency added thirty of artillery, a company of "Coffreys",[2] another of "Topasses",[3] another of "pioneers", two companies of French and assorted deserters, and "some hundreds of unarmed Lascars". Fortunately, "as compensation for this feeble supply of men, those gentlemen favoured (Draper) with some very good officers in every branch of the service". The King's contribution to Draper's army, on the other hand, consisted of the seasoned 79th Regiment, a company of artillery, and "a fine battalion of 550 seamen and 270 good marines".[4]

The Madras Council was more concerned with providing for the civil administration of the conquests which Draper was to turn over to the Company. Their instructions[5] to the gentlemen whom they appointed to receive and take charge of them showed some insight into the Philippine situation. They also reflected the advanced English thinking of those times which was to make an impression on both Spaniards and Filipinos during the occupation. The natives should be won over by not interfering with the religion to which the Catholic priests had "thoroughly" converted them. At the same time they should be relieved of the oppressions to which the Spanish government had long subjected them. Instead, they

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1 Draper's letter to Whitehall, 2 Nov. 1762. Loc. cit.

2 Also spelled Caffrees. These were slaves from Madagascar.

3 Also spelled Topazes. They were Portuguese Christian half-castes.

4 "Draper's Journal of the Manila Expedition", 2 Nov. 1762. CO 77/20.

5 Full text in Madras Military Consultations (31 July 1762) V. 48, f. 167-81.

should be secured "in the enjoyment of the fruits of their labor", thereby encouraging them to industry. Trade, as a source of revenue and with its possibilities for expansion, should be "the object of the greatest attention". The Port of Manila, from its size and position, could become "the place of resort for trading vessels from all parts". Thus it should be flung open to all nations, collecting a moderate duty on all imports similar to that in Madras. These innovations unfortunately did not outlast the British occupation and were to be discontinued by the Spanish government until a much later date, despite the importunities of farsighted reformers.

Preparations for the expedition proceeded apace; mostly through the joint efforts of the King's commanders, e.g., Draper who was to head the whole attacking force, and Cornish, Steevens' successor, who was to command the squadron. The Madras Council who concerned themselves little with those preparations were preoccupied with other aspects of the expedition. They entered into an elaborate correspondence with Draper and Cornish,[1] pressing the latter to fix the Company's share in the booty at one-half of the total amount. They also wanted an assurance from them that the conquests would be delivered to the absolute authority of the Company's agents, without military restraints. The Company, as we have seen, was assigned only one-third of the booty. And this was to apply only to booty taken on land; that taken at sea could not be shared with

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1 Manuscript copies of the letters exchanged on this occasion are found in H.M.S., V. 77, f. 7-45, including that of "an agreement proposed to have been executed between the President and Council on the part of the Company and the Commanders-in-Chief on the expedition". Also in Madras Military Consultations, V. 48.

the Company.[1] As to the matter of authority in Manila, Draper and Cornish embarked without clearing it up with the Madras Council.

The speed and energy with which the expedition was prepared and dispatched was a tribute to all concerned, in particular, Draper and Cornish. From the beginning, the relations between the two was one of harmony and mutual cooperation, and remained so throughout the seige and up to the final assault on the Citadel of Manila.

The armada was fifteen sail in all, with about 5,000 men on board.[2] One division, under Commodore Tiddeman and Colonel Monson, left Madras on 29 July for Malacca, to complete with water there before the arrival of the rest. The second division, with Rear-Admiral Cornish and Brigadier-

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1 Copy of a letter from Cornish to Governor Pigot, Admiralty House, Madras, 28 July 1762. H.M.S., V. 77, f. 23.

2 There is not one single document amongst the English sources examined which gives an over-all return of the forces despatched from Madras on the expedition. Draper reported that the total number of men embarked on the King's ships and the Company's transports was 2,300. This evidently does not include the "550 seamen and 270 marines" whom he further stated were contributed by Rear-Admiral Cornish to his "little army" for the attack. In the return rendered at Madras upon the embarkation of the troops, the figures come to less than 2,000, 300 short of that reported by Draper. This may be accounted for by the omission of the Lascars, who numbered "some hundreds" according to Draper. In Beatson's enumeration of the royal ships employed and the men embarked on them, the figures add up to 4,330. Of these, 2,330 are said to have made up the total strength for conducting the seige, exclusive of the Sepoy contingent which does not appear in the breakdown into that army's component parts, and inclusive of the seamen and marines landed from the fleet, roughly estimated at 1,000. From both the Madras' and Draper's returns, the Sepoys appear to have numbered around 600. It may be deduced from all those figures that the English employed a total of 4,000 men on the seige and assault. The Spanish governor gave his own inflated estimate of 6,830. If he included in this the crew and officers necessary to be retained on the ships to man them, say about 1,500, then he had exaggerated the total force sent out from Madras by only 1,300.

General Draper, sailed three days later, and in company with the other, stood out towards Pulo Timoan, the second rendezvous. Here they were joined by the Seahorse, which had been dispatched earlier by Cornish to intercept any vessel passing through the entrance to the China Sea and bound for Manila. Success of the enterprise depended greatly on surprising the Spaniards, who were indeed caught off guard as completely in Manila as in Havana.

In the evening of 23 September,[1] the whole fleet, except two store-ships which had drifted away from the rest, entered Manila Bay and anchored off Cavite port.[2] The plan at the beginning was to attack Cavite first, but finding Manila, the major target, surprised and unprepared,

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1 It should be noted that in the Spanish accounts of the invasion and occupation, the dates are one day behind those of the English, who had them in common with the Portuguese who reached the Orient by the eastward route from Europe. The Spaniards, however, did not rectify their Eastern calendar until 1845, when they finally adjusted it to the standard time.

2 For the seige and assault on Manila see Draper's Journal of the Manila Expedition, 2 Nov. 1762. CO 77/20; Copy of a letter from Admiral Cornish to Lord Anson giving an account of the taking of the Manila islands, 1 Nov. 1762. Brit. Mus. Add. 35,898; Rojo's Journal (English translation of the Spanish original published in Helen Blair and James Robertson, The Philippine Islands, 1903-1909, V. 49); Rojo's Narrative, ibid.; A Journal of the Proceedings of the Forces before Manilha under the Command of Brigadier-General Draper, (no author), in the Orme Collection, V. 32; Journal and Account of the Seige and Taking of Manilla by Captain Fletcher - from 23 Sept. to 6 Oct. 1762, to the Secret Committee for Affairs of the East India Company, ibid., V. 27; A Narrative of the Transactions of the English Army before the City of Manilha from the Disembarkation of the Troops to the Capture of the Place, by Captain William Stevenson, in the printed copy of the Records of Fort St. George: Manilha Consultations, 1762-64, 1940-46, V. 1, H. de la Costa, "The Seige and Capture of Manila by the British, September - October 1762" in Philippine Studies, V. 10, No. 4, Oct. 1962 (reproduces the correspondence between the Spanish authorities and British commanders preserved in the original at the archives of the Jesuit Province of Aragon).

the English commanders decided to make a direct attempt against the latter. On the following morning, a Spanish officer went on board the Admiral's ship to ask what the English had come for. He returned ashore with two English officers who bore their commander's summons for the surrender of Manila and its fortifications.[1] On that same day, Draper and Cornish reconnoitered the bay and observed some stone churches and other buildings near the fort, on the south side of the walled city. This they decided was a good place to take up their first position.

At dusk, the first landing was effected under cover of three frigates, whose continuous cannonade dispersed the opposition forming on the shore. About a quarter of a mile up the coast the English took up their positions in the village of Malate, which was separated from the southern walls of Manila by a distance of only a mile. Here the stone churches served them well, first against the rains which poured just after the first landing, secondly as cover while they raised and formed their batteries, and finally as a vantage point whence they made the breach on the city walls.

On the 26th, the Spaniards sent out their first sortie, but this was beaten back. By the 29th, the battery for breaching the southwest bastion opened fire. It was seconded by two ships of the line. The Spaniards fired back but without effect, the enemy being well protected behind the thick walls of the churches which served them as posts. On the third day of October, the Spanish pieces on the left face of the bastion were silenced. On the following day they made their last desperate sally, seized the English outpost nearest the wall, and were

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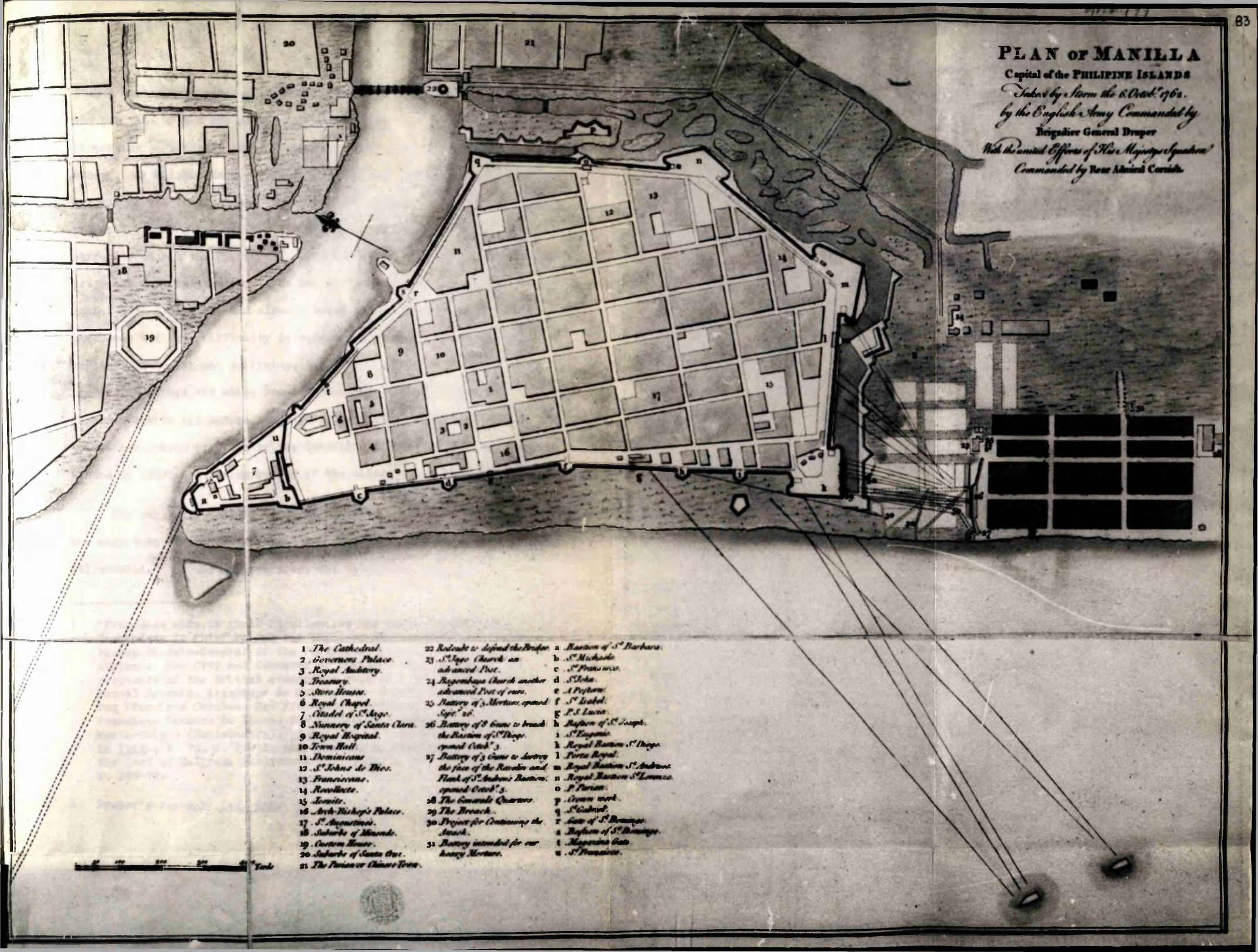
1 See map of Manila following this page, photocopied from the "Plan of Manila ... taken by storm the 6th October ..." preserved at the British Museum.


PLAN OF MANILLA
Capital of the PHILIPINE ISLANDS
Taken by Storm the 6 Octob.r 1762.
by the English Army Commanded by
Brigadier General Draper
With the united Efforts of His Majestys Squadron
Commanded by Rear Admiral Cornish.
1 The Cathedral.
2 Governors Palace.
3 Royal Auditory.
4 Treasury.
5 Store Houses.
6 Royal Chapel.
7 Citadel of St Iago.
8 Nunnery of Santa Clara.
9 Royal Hospital.
10 Town Hall.
11 Dominicans
12 St Johns de Dios.
13 Franciscans.
14 Recollects.
15 Jesuits.
16 Arch-Bishop's Palace.
17 St Augustines.
18 Suburbs of Minondo.
19 Custom House.
20 Suburbs of Santa Cruz.
21 The Parian or Chinese Town.
22 Redoubt to defend the Bridge.
23 St Iago Church an advanced Post.
24 Bagumbayan Church another advanced Post of ours.
25 Battery of 3 Mortars opened Sept.r 26.
26 Battery of 8 Guns to breach the Bastion of St Diego opened Octob.r 3.
27 Battery of 3 Guns to destroy the face of the Ravelin and Flank of St Andrews Bastion opened Octob.r 5.
28 The Generals Quarters.
29 The Breach.
30 Project for Continuing the Attack.
31 Battery intended for our heavy Mortars.
a Bastion of St Barbara.
b St Michaels.
c St Francisco.
d St John.
e A Postern.
f St Isabel.
g P.S Lucia.
h Bastion of St Joseph.
i St Eugenio.
k Royal Bastion St Diego.
l Porta Royal.
m Royal Bastion St Andrews.
n Royal Bastion St Lorenzo.
o P.rian.
p Crown work.
q St Gabriel.
r Gate of St Domingo.
s Bastion of St Domingo.
t Magazine Gate.
u St Francisco.
Yards

pushed back only after both sides had suffered heavy casualties. On the 6th, the breach was mounted, "the few Spaniards upon the bastion dispersing so suddenly that it was thought they depended upon their mines". Archbishop Rojo, who was then the acting Governor and Captain-General of the Philippines, "waved the white flag and retired to the citadel". An English officer was sent in to demand the immediate surrender of all the Spaniards. Rojo then came out bearing the Spanish proposals for capitulation.[1] He was conducted to the Royal Palace to confer with Draper who had already taken up quarters there. The two gentlemen had some difficulty in understanding each other at first. English and French not sufficing, Latin also was used, "in which the Archbishop talked and which Draper understood, each pronouncing it in accordance with his native language". Believing that Draper had agreed to the conditions proposed by the Spanish Council of War, Rojo then issued an order for the surrender of the citadel Fort Santiago.

The English losses in terms of human life were slight, considering the magnitude of the enterprise. The capture cost them 36 killed and 111 wounded.[2] On the Spanish side, the casualties were greater, with

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1 "Proposals made to their Excellencies His Britannick Majesty's Commanders in Chief by Sea and Land, by His Excellency the Archbishop Captain-General of the Philippine Islands, the Royal Audience, the City and Commerce of Manila". Enclosed with the proposals of the British commanders made on 7 Oct. 1762. Signed Manuel Antonio, Arzobispo de Manila, Don Manuel Galban y Ventura, Don Francisco Carabeo, Don Francisco Henriquez de Villacorta, Don Francisco Leandro de Viana, Don Manuel Luis Lopez, El Marques de Monte-Cristo (Montecastro). H.M.S., V. 77, f. 63-5; other copies in ibid., V. 76, f. 29-31, and enclosed in Cornish's memorial to the Earl of Halifax, Parliament St., 3 Sept. 1764, ibid., V. 97, f. 269-72.

2 Draper's Journal, loc. cit.

the Filipino inhabitants receiving the brunt of the attack. Their accounts showed 85 Spaniards and 300 nativeskilled and more than 400 wounded.[1]

Each side maximized the losses of the other, as well as the strength of the force pitted against it. At the time of the invasion, the Spanish garrison in the fortified city of Manila numbered about 800, and this small body, according to Rojo, had to contend with a force which was 6830 strong. Two days after the storming of Manila, he further claimed, the English counted 1,000 men and 16 officers less on their side.

On the other hand, Draper alleged that the Spanish garrison was augmented by a body of 10,000 Indians from the province of Pampanga, while another English source reported that in the assault alone "near 800 ofthe garrison drowned in attempting to make their escape over the river".[2] The English invasion would appear more spectacular if the Spaniards had even half of the alleged number of natives fighting at their side, disciplined and loyal. At the height of the influence of Anda, the Spanish loyalist who organized the resistance against the English occupation, it is said that he had about 3,000[3] natives in his pay, but that he could not attempt an offensive to drive the English out of Manila because he did not trust in them and had hardly enough Europeans and

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1 Rojo's Journal, loc. cit.

2 A Journal of the Proceedings of the Forces before Manila, etc., loc. cit.

3 Figure from "Historia del sitio de Manila, por el P. Agustin de Santa Maria: Manuscrito del Archivo de San Agustin, de dicha capital." Quoted by Jose Montero y Vidal, op. cit., V. 2, f. 2, p.69.

troops to keep order in the provinces.[1]

In the afternoon following the assault, Draper and Cornish sent the Archbishop the conditions under which "the city of Manila would be spared from plunder, and the inhabitants preserved in their religion, goods, liberties and properties under the protection of the government of His Britannick Majesty."[2] Among them were the surrender of Cavite and other forts subject to Manila, and the payment of 4,000,000 Spanish dollars.

The English commanders also returned the Spanish proposals for surrender with their modifications.[3] Of the proposals, the most interesting is that by which the political and civil authority should remain in the hands of the Spanish Royal Audiencia, "that by their means a stop may be put to all disorders and the insolent and guilty be chastised." This was accepted by the English, "subject," however, "to the superior controul of their government."

In actual fact, Draper dealt with the Archbishop alone and encouraged him to exercise his executive powers as under the Spanish laws.

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1 Almodovar, op. cit., V. 5, p. 265.

2 "Done in the City of Manila the 6th day of October 1762 (signed) Samuel Cornish and William Draper". Copy of the document received (at London) per Essex, 11 Oct. 1763 by the hands of Major Barker, in H.M.S., V. 77, f. 55; another copy, ibid., V. 76, f. 31-2; another copy enclosed in Cornish's memorial, ibid.

3 "Proposals of their Excellencies His Britannick Majesty's Commanders in Chief which are agreed to by the most illustrious Governour of these Islands as likewise the Royal Audience, the City and Commerce, with the Clergy both Secular and Regular. Done at Headquarters in the City of Manila this 7th day of October 1762". Ibid., V. 77, f. 59-60. Other copies in ibid., V. 76, f. 28 and in Cornish's Memorial, ibid.

Rojo, on the other hand, showed himself to be so ready and willing to comply with the Englishman's demands that he was suspected of collaborating with him in order that he might retain the title of governor and captain-general of the islands.

Rojo's guilt lay rather in his lack of discretion and will power. His connection with Cesar Faillet, a French resident in Manila who was accused by the Spanish officials as a collaborator to the English, was particularly damaging. This man figured in the transactions involving the cession of the entire Spanish Philippines to the English.[1] Under his influence, Rojo agreed to make the turn-over.[2] But the Royal Audiencia persistently refused to affix their signatures to the document,[3] until "compelled and urged" to do so under "many threats of penalty to their lives and confiscation of their property."[4]

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1 In the words of Drake, Faillet was recommended to him by Draper "for having procured from the Spaniards the cession of the Islands." Letter to the Earl of Egremont, Manila, 1 Feb. 1764, H.M.S., V. 97, f. 231.

2 "Orders for the cession of the Philippines to England, 30 Oct. 1762." CO 77/20. Another copy in H.M.S., V. 77, f. 67. Spanish text is published in Montero y Vidal, op cit., II, 45-6.

3 Draper, impatient of the delay in obtaining the assent of the Royal Audiencia to the cession, wrote a somewhat menacing letter to Rojo, reminding him how "by the cession of a few places, the archbishop has avoided much ruin, for the English arms would easily have reduced them." He then warned that "those who persuade the archbishop through a false sense of honor not to cede the islands will be responsible for the consequences". The letter was dated 28 Oct. 1762. Copy in English published in Blair and Robertson, op. cit., V. 49, f. 148, p. 237. Spanish version in Montero y Vidal, 44-5.

4 Testimony by Ramon Orendain, "Secretario de Camara de la Real Audiencia, Corte y Real, Chancilleria de las Islas y del Real Acuerdo," cited in Montero y Vidal, f. 1, p. 46-7.

Rojo also wrote letters and manifestoes enjoining prelates, provincial governors, Spanish and Filipino inhabitants[1] to submit to the British authority while the occupation lasted. He sent orders for the recall of the money, which had been out of the fort into safety during the seige, in order to deliver it to the English.[2] On the day of the capitulation, he wrote to the commander of the incoming galleon from Acapulco, ordering him to bring the treasure to the city,[3] also for delivery to the English on account of the four millions agreed upon as "ransom" of Manila.

Rojo further showed great zeal in making up these millions to the English. In his own words he had to give up even "the wrought plate which served to adorn the churches".[4] Further, when the English chided him for his failure to secure the Filipino galleon for them, he drew bills on the royal treasury at Madrid to the amount of the second half

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1 Anda to Carlos III, 23 July 1764, in Blair and Robertson, p. 275-6. Vide, "Manifiesto del Arzobispo a los Naturales de Filipinas, Santa Cruz, 28 Oct. 1762," published in ibid., Appendix 8. It states in part that "the British generals are enemies but generous...and desire no less than your quiet and peaceful conservation under their dominion..."

2 Rojo in fact objected to the taking of the money outside the city, and insisted that it was safer "where there was security of their lives". From his "Narrative" in Blair and Robertson, op. cit., p.209-10.

3 "Copy of the order sent by the commissaries for the delivery of the treasure of the ship Phillippina, Sta. Cruz, 9 Nov. 1762", signed by Rojo and "a considerable part of the proprietors of the treasure on board". H.M.S., V. 76, f. 89-90.

4 Rojo deposed further that he "voluntarily delivered all his valuables and vases without reserving his pectoral or anything else in order to aid so far as he was concerned in the ransom of the city". From his "Narrative", loc. cit., p. 245.

of the ransom, which it had been agreed would be paid from the treasure of the galleon.[1] To top all this, he wrote a letter to Anda on 10 October, 1762 ordering him to observe the terms of capitulation entered into with the English.[2] This was the man he had commissioned, when the fall of Manila seemed imminent, to go out into the provinces to maintain the Spanish authority. The letter sparked off a long-drawn, virulent controversy between the two men.[3]

The point at issue was whether Rojo was still entitled to the prerogatives of governor, or whether such rights did not devolve upon Anda after the fall of Manila.

Simon de Anda y Salazar was a junior "oidor" in the Royal Audiencia at the time of the English invasion. On 2 October, 1762, he received a commission from Rojo as "teniente de gobernador y capitan-general" of the Philippine Islands, and another from the Royal Audiencia and the Royal Chancery as "juez visitador-general de la tierra de todas les provincias".[4] It was customary under the Spanish rule to give those

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1 Rojo stated that he drew those bills in order to placate Cornish, who despairing of catching the Filipino, proposed a new sack of Manila and the suburbs. Ibid., p. 249-50.

2 "Carta del Arzobispo a Anda mandandole observer los tratados que estaba haciendo con los ingleses", published in Montero y Vidal, op. cit., II, Appendix IV and in Malo de Luque, op. cit., V, p.288-9.

3 The resulting exchange of bitter and captious letters is abstracted in Blair and Robertson, op. cit., p. 132 et seq., under the heading "Anda and the English Invasion, 1762 - 4".

4 "Testimonio dandose a concocer Anda por Gobernador y Capitan General de Filipinas, Bulacan, 5 Oct. 1762", published in Montero y Vidal, Appendix 3.

titles to men sent out to the provinces to maintain the King's authority, especially in times of emergency.

On 5 October, Anda left beseiged Manila for Bulacan, a prosperous Tagalog province to the north of the city. Thence he transferred to Bacolor, capital of the province of Pampanga, further west from Bulacan. Here he set up his headquarters, whence he governed, organizing and equipping military units, appointing provincial governors and inferior officials, coining money, manufacturing arms, punishing crimes and suppressing rebellions, issuing laws affecting the natives, Chinese, and trade, regulating finances, and dispatching forces to attack the English.[1]

Anda in effect assumed the powers, and as a matter of fact, claimed the title, of Governor and Captain-General of the Philippines following the surrender of Manila and the taking of Rojo as "prisoner" by the English. Anda's claim was based upon certain outdated Spanish Laws of the Indies, the gist of which was that in case of vacancy in the governorship, its powers devolved upon the Royal Audiencia. The duties and powers of the latter in turn could be discharged by one single oidor, should only he remain out of all the members.[2] In Anda's case, he was the only oidor who did not surrender to the English, the three others, Francisco Henriquez de Villaconta, Manuel Galban y Ventura, and Francisco Leandro de Viana having submitted to the terms of the capitulation, like Rojo.

In truth the law in force was that decreed in 1761 providing for

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1 Vide, "Synopsis of letter from Anda to Carlos III", 22 June 1764, in Blair and Robertson.

2 Vide, "Letter from Anda to Carlos III", 23 July 1763. Ibid.

the succession of the archbishop of Manila to a vacant gubernatorial chair, and in case of his death, absence, or incapacity, for the next highest prelate to succeed to the office. When Rojo fell ill, Bishop Ustariz of the northern provinces was in fact suggested for the office by a faction in Anda's own camp.[1]

The curious fact is that Rojo insisted on his retention of the highest executive title in the islands under Spanish rule even while the English were already in power and their own governor reigned at Manila. The truth was that the English encouraged him in his claim and that he was too naive to realize that he was being used against his own people.[2] He must have been flattered to be consulted by the English on the appointment of parish clergy and even of provincial governors.[3]

Curiously too, the English did not seem to be aware, until very

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1 Mas, op. cit., I, 188-91.

2 The English, for example, circulated the report that Rojo had declared Anda a rebel to the Spanish King. The prelate emphatically denied this and begged them to destroy their letter implying that he had made such a declaration, in order "to obviate some calumnies of the Spaniards, particularly of the Fiscal Don Francisco de Viana", apparently being hurled at him.

3 When the governor of Laguna province was murdered by the natives, Rojo was asked to choose his successor afterwards to be confirmed by the English. In explanation of this procedure, the Manila Council wrote: "How vain our appointment of itself would be where we had not the force to support it. Indeed on all such occasions for some-time to come we must follow this plan, and we ought either to confirm the present governor at Mindanao or appoint a new one from hence,... sending a ship to perform the ceremony of hoisting the colours until we have force to support." Manila General Letter to Fort St. George, 25 Dec. 1762. Read in Madras Military Consultations, (22 Feb. 1763), V. 49, f. 82.

late, of Anda's position, which by virtue of the commission granted to him by Rojo and the Royal Audiencia was tenable even against the most legalistic interpretation of the law.[1] He was designated "lieutenant to the governor and captain-general" and "judge visitor-general of the provinces". As such his powers were an extension of those of the Governor and Captain-General in restive or unsettled areas of the islands. Under the circumstances, the claims of a captive governor were vitiated by the effective authority of a military dictator.

Later, Rojo realized the absurdity of his position. When asked to issue orders to the governors of Zamboanga and Iloilo for the delivery of those places to the English, he refused on the ground that those Spanish officials were Anda's appointees, his own having been replaced by them and were therefore not bound to obey him.[2] In fairness to him we can say that he tried to reach a working agreement with the English in order to ease the occupation for both Spaniards and Filipinos. He also tried to get the cooperation, if not the acquiescence, of his colleagues in the transactions with the English, but they refused to

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1 On 14 Dec. 1763, the British Governor and Council at Manila requested Rojo for "a copy... of the consultation held by the Royal Audience and by some other of the royal officers on 1st October... to send Anda as Lieutenant-General to maintain the Government of the Province". Even after their receipt of Rojo's reply affirming Anda's commission, the English Board refused to deal with the latter, insisting that he was a rebel and that Rojo was the proper person to negotiate with for a cessation of hostilities. Man. Cons., V. 5 and 6, passim.

2 Letters from Archbishop Rojo to the English Board, 11 April and 17 April 1763. Ibid., V. 6, p. 76-81.

avoid being answerable to the Spanish King afterwards. Furthermore, his conciliatory attitude enabled him to use his influence with the English to get some of his countrymen and friends out of very precarious situations.[1]

The aged priest broke down under the reproaches and calumnies of his countrymen, who left him in such desolation that when he died it was the English who took charge of his funeral. During the occupation he wrote two journals, justifying his conduct, the gist of which was that he had acted under duress and also in the interest of peace and order. Later Spanish writers described him as "more imbecile than disloyal", absolutely ignorant of the prerogatives attached to his position as governor of the King and displaying such weakness of character in the face of the enemy.

On 11 November, Draper left Manila for England. Remaining behind was Cornish, with the King's Squadron, apparently waiting to get hold of one of the richest treasures afloat, the incoming galleon from Acapulco, carrying the yearly load of plate valued as high as 3,000,000 dollars.

On the second day of the invasion, a galley was seen entering Manila Bay.[2] Cornish immediately detached some vessels to seize it.

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1 He interceded for the oidores that they might not be deputed by the English to deliver the order for the surrender of the Filipino cargo. He possibly saved Villacorta's life when he was discovered by the English communicating with Anda. A Spanish priest, one Padre Esteban, Santiago Orendain, and Cesar Faillet, among others, were spared by the English through Rojo's intercession. Ibid., passim.

2 Letter from Cornish to Mr. Clevland of the Admiralty Office at London, dated Manila Bay, 31 Oct. 1762. Published in Blair and Robertson, p. 44-59.

The ship was boarded and found to bear a message from the commander of the Filipino galleon, recently arrived from Acapulco. She was lying at Palapag, on the north-eastern point of Samar at the mouth of San Bernardino Strait, which led from the Pacific to the Philippine waters. Cornish detached the Panther, a ship of the line, and the Argo, a frigate, to go after the ship. The English stumbled upon and captured the outgoing galleon instead, the Santissima Trinidad, dubbed the "Powerful".[1] She was on her way to Acapulco with her cargo of Asian goods to be exchanged for Mexican gold and silver. On this trip, the galleon's load was registered at 1,000,000 dollars with a market value of three times that amount.

The Santissima Trinidad was declared a prize and therefore not admitted into the capitulation. The Spanish inhabitants of Manila, most of whom had consignments on the galleon, objected to the seizure on the ground that the cargo was private property and that Draper and Cornish had agreed to secure the inhabitants in their "goods and fortunes".[2]

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1 The galleon left Manila port in August, 1762. About 300 leagues from the Embocadero, a tempest broke and dismasted her, driving her back to the Philippine waters. The English fell in with her among the Naranja group of islands near the San Bernardino Strait, south of Sorsogon and west of Capul. She was taken after an action of two hours on 30 Oct. 1762, and later, reported to be "one of the largest ships ever seen in Britain". For accounts of the engagement between the ships, see letter from Cornish to Clevland, Bay of Manila, 10 Nov. 1762, in Blair and Robertson, p. 57-8; idem to Fort St. George, Cavite, 26 Dec. 1762 in Madras Military Cons., V. 49, f. 87-8

2 Three representations were made to the English by the Spaniards on the illegality of the seizure of the Trinidad: one by Don Pedro Calderon Henriquez of the Philippine Royal Audiencia, a second one by the same man, and another by Don Francisco Vicente Meylan and Don Juan Francisco Solano "on the part of the commerce". Copies in H.M.S., V. 77, f. 79-85, 87-91, 95-6.

When the question was debated in Europe,[1] the Spanish Court justified their non-payment of the bills drawn by Rojo on the Royal Treasury by the illegal seizure of the ship, the value of which, together with the cargo, was claimed to be in excess of the "Manila ransom". Draper and Cornish argued, however, that the galleon was a legitimate prize.[2] She was taken above 200 miles from the port of Manila, and the Englishmen who took her were not aware of the surrender of that city. Besides, she was not included in the capitulation, having sailed one month before the arrival of the invaders. The Trinidad and her cargo were sold at public auction and the proceeds distributed among the captors.

Immediately upon hearing of the capture of the Trinidad, Cornish prepared the Argo and Seaford frigates to search for the Filipino, which was reported to be at Palapag. Dawsonne Drake and Council, the Company's agents appointed to take charge of the conquest, suggested, as "the only

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1 "The Earl of Halifax to Brig. Gen. Draper: transmits a copy of a memorial and its enclosures delivered by the Spanish Ambassador in March 1764 reclaiming the galleon The Most Holy Trinity as unjustly taken at Manila in Oct. 1762 and contrary to the laws of war" in the Calendar of Home Office Papers, 1760-5, (1391). See also "Abstract of letters which passed relative to the ship Santissima Trinidad and the ransom of Manila from 20 Aug. 1765 to 20 July 1766." Ibid., 1766-9, (217).

2 The English side of the question was argued in "A Plain Narrative of the Reduction of Manila and the Philippines Islands", possibly the work of Draper alone but enclosed in Cornish's letter to the Earl of Halifax, Parliament St., 3 Sept. 1764, H.M.S., V. 97, f. 269-72. The question was pursued further in Colonel Draper's Answer to the Spanish Arguments, etc., printed in London, 1764, which includes various related documents, in particular, the "Spanish arguments claiming the galleon and refusing payment of the ransom bills for preserving Manila from pillage and destruction".

means of making sure of the treasure", the sending of some Spanish officials on the ships with orders from their Governor and Ministers to the commander of the galleon to deliver her cargo to the English captains. Cornish then asked that the Fiscal, two oidores, and two gentlemen of commerce be deputed for the purpose. The Archbishop however requested that the Fiscal and the oidores be excused, such commission being "below their dignity".[1] Two "regidores", or city councillors, were chosen in their place who were joined by two gentlemen of commerce and with them sailed on the English ship on 21 November, 1762.[2]

For three months the Argo and the Seaford scoured the seas in their quest of the Filipino. The Northeast monsoon had set in before they could reach San Bernardino Strait, at the far end of which was Palapag. For ten weeks they tried to get through this passage. After running great risks of losing their ships and with their provisions nearly exhausted, the English captains decided to give up the search and returned to Manila about the middle of February.[3]

Unflagging, Cornish, who had to return to Madras with the Squadron,

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1 Copies of the letters exchanged on the subject, with dates from Nov. 7. to 18, 1762, in H.M.S., V. 76, f. 39-85.

2 Letter to Cornish from the Manila Board advising of the choice of Spanish deputies and enclosing the order to the General of the Filipino galleon for the delivery of her treasure. At a Manila consultation, 19 Nov. 1762, ibid., f. 86-7.

3 General letter from Manila to the Government of Fort St. George, 2 March 1763, Madras Mil. Cons., V. 49; Beatson, op. cit., V. 2, p. 512.

left orders with Captain Brereton of the Falmouth man-of-war to renew the search. On 27 March, 1763, the English ship sailed, accompanied by a brig and a sloop. They reached Palapag and found the Filipino there, but with her holds empty. Her cargo was reported to have been unloaded at Albay in the southeastern part of Luzon, thence to be conveyed to Anda in Pampanga by land. After burning her and destroying the guns at Palapag, evidently landed from her, Brereton returned to Manila on the 28th of April.[1]

The saving of the Filipino treasure, worth more than 2,000,000 dollars, from the clutches of the enemy was a stroke of good fortune for the Spaniards. It cast a ray of hope in the dark hours of their empire. Not since the Dutch, more than a century back, challenged their claims to a monopoly of the spice trade and tried but failed to oust them from the area altogether, had they seen an organized European attempt against this Oriental outpost of their empire. In fact no foreign power had ever forced their citadel and dislodged them. Enemies they surely had around them. The Mohammedans in the south were especially formidable and frequently made descents on nearby provinces. But they were quickly repelled by Spanish firearms and gunboats, just as were unruly natives and defiant Chinese outside the walls of Manila.

Twelve days from their appearance in the Bay of Manila, the British had taken the city by storm. This was in itself a fine military performance. The want of resistance on the other side, however, detracts

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1 Man. Cons., V. 5, p. 93-4.

from it somewhat. The Spaniards were incredibly unprepared for the attack. They were not completely taken by surprise, but only the shock of an actual attack could awaken them from their lethargy.[1] Such was the complaisance which years of peace had lulled them into that the fortifications of the capital itself were allowed to slip into disrepair. The defenses were fit to withstand an "Indian" but not a European enemy. Among the weak points seized upon by Draper to facilitate his assault on the city were an unarmed ravelin, a very low glacis, and a seedy covered way. Furthermore, the ditch did not extend round the southwest bastion which the English quickly chose for the breach.[2]

The accounts of several Englishmen who served on the expedition disclose the enemy's lack of some basic knowledge in the art of defense. There was no effective opposition on the shore to meet the first landing.[3]

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1 At the arrival of the English invaders, no official notice of the outbreak of war between the two nations had reached the Spaniards yet in Manila. The Filipino galleon from Acapulco was to have brought such news to the islands. However, when she arrived, the invasion had already commenced. But the Spaniards had had previous warnings of the forthcoming attack. Ten days before the arrival of the English squadron, for instance, a ship entered Manila Bay, refusing guards on board and inquiring of the state of the Spanish navy there and whether the Acapulco galleon had already arrived. The effect which this produced on the Spaniards in the city was a fear for the galleon; thus they only sent advices to the provinces, where the ship was likely to appear, for them to warn the latter to be on guard. Malo de Luque, op. cit., I, p. 237-8; Mas', op. cit., I, p. 123; Rojo's Narrative, loc. cit., p. 208-9.

2 Draper's Journal, loc. cit.

3 If the English had met with a stiff opposition to their landing on the seaside south of the city, they would have had to resort to the risky alternative of attempting a second landing from the north, across the broad and deep Pasig river. This operation "must at least be so dear a purchase that the surviving few would be too

Thus the English acquired a beachhead which cost them nothing. The rest of the attacking force was landed with ease, the first post taken, then another by the following day which brought them within 300 yards of the Fort. The Spaniards should have had the sense to place "a field-piece or two on the beach to the right and left of the landing party, with musquetry in front, behind the hedges and trees". By this "simple means" they could have emasculated the 79th Regiment, the spearhead of the invasion.

When the invasion commenced, the Spaniards made no attempt to prevent the English from taking possession of the stone churches which were to serve the latter as "so many castles" just outside the city walls.[1] Here the English found shelter from the torrential downpour of the typhoon season. They were protected by the thick walls from the firing from the Spanish fort, while they prepared the battery and deployed their

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inconsiderable to guard that place against being surprized and retaken". Captain Fletcher's Journal, loc. cit., f. 83.

The greater risk involved in a north landing was confirmed by Draper who reported that during the seige it was not possible to take possession of Binondo, Tondo, and Santa Cruz, the posts which commanded the river and communication with the country. From his "Journal", loc. cit.

1 The previous Spanish governor-general of the Philippines, Arandia, had proposed the demolition of these churches which prejudiced the defense of the city, but he met with violent opposition from the clergy and died without accomplishing any of his reforms. Anda, realizing the great advantage which similar churches would give the enemy if taken by the latter, ordered the burning of any which was in imminent danger of falling into their hands. Order dated Apalit, 27 Jan. 1763, published in Malo de Luque, 591-2.

On 17 May 1763, the English finding themselves being more and more confined within Manila, ordered the destruction of the Ermita and Malate churches which had aided them greatly during the assault. Man. Cons., V. 5, p. 120.

forces to make the break-through. They were also provided with a vantage point whence they could view the works of the city and design the plan of assault.

The Spaniards did not even possess a good look-out; thus the English had mounted the breach "before they were well-alarmed".[1] The natives who fought under them were an undisciplined lot, and owed them the loyalty of mercenaries. Yet when led properly they proved to be formidable fighters. During the invasion their descent in large numbers caused great terror and consternation in the English camp. As Draper observed, "Had their skill or weapons been equal to their strength and ferocity, it might have cost us dear. Although armed chiefly with bows and arrows and lances, they advanced up to the very muzzles of our pieces, repeated their assaults, and died like wild beasts, gnawing the bayonets".[2] The Spaniards, however, lacked officers to train and lead them.

To make matters worse, the Spanish government in the islands was led by a man who had had no military training and was lacking in those qualities requisite to the position and the emergency. His Mexican birth added to this handicap and accounted for the little respect and cooperation from the other Spanish officials who were "peninsulares" or natives of Spain.

The English, nevertheless, did not have an easy time. The elements were against them. At the time of the landing, a large surf arose and

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1 Capt. Stevenson's Narrative, loc. cit.

2 Draper's Journal, loc. cit.

smashed some boats. The troops waded ashore in water that reached the chest, "carrying their muskets and cartouch boxes on their heads." The rains poured on them, holding up the transportation of stores and ammunition from the ships and obstructing communication between posts.

Draper's "little army" was overworked, shifting from one kind of service to another. When they were not landing and bringing up stores or making trenches, they were working at the batteries or keeping guard. In fact, Draper hastened to launch the assault because his troops "had begun to complain of fatigue".[1]

The two storeships, which had lost touch with the Squadron in the passage from Madras, did not arrive until many days after the landing, thus holding up the work on the trenches. Cornish was obliged, under the circumstances, to employ all the forges on the ships and all the smiths and carpenters belonging to the fleet in the making of spades, pickaxes, and other tools for the army.[2]

Draper's tenacity and good judgment, the skill of the officers under him, and the firm cooperation of Cornish combined to give the enterprise a swift and rather smooth victory. But this undertaking which began so auspiciously for the British and ill for the Spaniards wound up in the reverse for either side. Anda was able to rally Spaniards and Filipinos alike to a resistance which proved very irksome to the English. The latter fell to bickering and intriguing among themselves, a fact which

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1 Ibid.

2 Letter to Clevland, 31 Oct. 1762, loc. cit.

reinforced many in their opinion that the outcome of the entire project for the nation was a barren one.[1] To the ledger-minded Company, "the comparison of the risks and expense with the prospects of advantage shows that it ought never to have been undertaken".[2]

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1 Vide, Indian Records Series: Vestiges of Old Madras 1640 - 1800, II, 587. By Henry D. Love.

2 Separate despatch from the Company to George Pigot, 30 Dec. 1763. Dodwell, Calendar of Madras Despatches, II, 388.

CHAPTER IV

The Rule of the East India Company in Occupied Philippines

PART I

According to his instructions from the Court of St. James, General Draper should give up Manila, after its conquest, to an accredited representative of the East India Company.[1] On the day before the formal turnover, Dawsonne Drake, the man appointed by the Madras Presidency to head the Company's government in the new acquisition, asked to be assured that this would be delivered to him without military restraints on his civil administration.[2] Draper was to appoint the commandant of the troops who were to be left in Manila "to enable the Company to keep and defend the place".[3] He was also to choose three other officers to comprise a military council "to assist Drake in all matters relating to the defense of the said place and other military operations".

The Government at Madras had expressed a misgiving that Draper might leave military instructions to the commandant tending to limit the authority of the Company over the new conquest.[4] Drake and the Council

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1 Secret Instructions to Brigadier General William Draper, Court of St. James, 21 Jan. 1762 (draft) CO 77/20.

2 At a consultation, dated 1 Nov. 1762, signed Dawsonne Drake, John Lewin Smith and Henry Brooke, Home Miscellaneous Series, (hereafter to be abbreviated as H.M.S.), V. 76, f. 7.

3 General Orders of 2 Nov. 1762, given by Brigadier General Draper, ibid., f. 10-12.

4 Further instructions to the Deputy Governor and Council for Manila, Madras Military Consultations, (31 July 1762), V. 48, f. 190.

appointed to assist him were thus instructed not to accept the charge of any conquests unless they could govern them with the same powers as the Company held their other possessions. Draper, however, assured Drake that he "need entertain no suspicion of military control," and that Manila would be delivered over "upon the same footing with the Honorable Company's possessions in India."[1]

On 2 November 1762, Drake, attended by his Council, was conducted by Draper to the Royal Palace of Manila. "In the presence of the officers of the garrison, His Excellency the Archbishop, the late Governor, with his Royal Audience, and the principal inhabitants of the city,"[2] Drake was proclaimed Governor of Manila and all its dependencies.

It should be noted that the Company's Directors at London granted the Madras Presidency wide discretion in the issuing of directions for the management of Manila. They, however, stressed the sine qua non in the administration of the new possession, as it had been for all the Company's settlements, e.g., attention to revenue and commerce, economy, and treatment of the inhabitants with "kindness and humanity".[3] This was in turn elaborated upon by the Madras Presidency in their general instructions to Drake and the Council. Although in principle Manila was to be subordinate to the Madras settlement, in actual fact it was to be managed by a Deputy Governor and Board exercising the same authority as if it were an independent settlement. There were no restrictive clauses in the Madras instructions,

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1 Manila diary, 2 Nov. 1762, H.M.S., V. 76, f. 12.

2 Ibid.

3 Company's letter to Fort St. George, 21 Jan. 1762, per Col. Draper on the Argo. Madras Despatches, No. 2.

and as we shall see later, the Company's Government at Manila proceeded with the same discretionary authority as that of the presidencies in India. Drake in particular exercised this authority, often arrogating even that of the Council.

The first subject of consultation of Governor Drake and his Council was the collection of the 4,000,000 Spanish dollars stipulated in the capitulation, one-third of which was to be accounted as the Company's share. Two million dollars ought to have been paid immediately, while the other half was "to be paid in a time to be agreed upon and hostages and security given for that purpose".[1] But the Spaniards had convinced Draper of their inability to meet the first half-payment, and the latter agreed to reduce it to 1,000,000. Of this, only 349,000 had been paid, and Draper asked the Company's agents to look into the matter. It was agreed to detain the members of the Royal Audiencia,[2] called "oidores," and some of the principal Spanish inhabitants of Manila as hostages to secure the balance.[3] Of these, Admiral Cornish suggested[4] the inclusion of the Marquis of Montecastro, a wealthy Spanish resident

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1 "Conditions on which the city of Manilha shall be preserved from plunder and the inhabitants preserved in their religion, goods, liberties and properties under the protection and government of this Britanic Majesty," H.M.S., V. 77, f. 55; another manuscript copy in ibid., V. 76, f. 31-2.

2 The Royal Audiencia was a kind of supreme court which served both as an administrative auxiliary to and a check on the governor-general of the islands.

3 Manila consultation, 3 Nov. H.M.S., V. 76, f. 33.

4 Letter from Cornish to the President and Council at Manila, Cavite, 4 Nov., ibid., f. 39.

whose property was valued at "above a million and a half,"[1] and some of the Augustinians. The latter held most of the parishes in the Tagalog country, the backbone of Spanish power in the archipelago, and also in Pampanga, one of the most fertile and populous provinces in the islands.[2]

The oidores were taken into custody, but with the appointment of Spanish deputies to deliver the order to the commander of the Filipino to give up the galleon's money, they were released.[3] The Marquis of Montecastro had, however, escaped before they could take him. He was declared a rebel to both Spanish and British Kings, and his entire property was to be confiscated.[4] The whole Augustine Order, "the chief instruments in fomenting the troubles in the provinces of Bulacan and Pampanga," indeed Anda's main support, particularly during the first months of the British occupation, was also proscribed.[5]

These measures obviously did not have much effect, for by March 1763, the total contribution reached only about 600,000 dollars.[6] Of

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1 Manila General Letter to Fort St. George, 25 Dec., Madras Military Consultations (22 Feb. 1763), V. 49, f. 81.

2 See Chapter 4 of John Leddy Phelan's "The Hispanization of the Philippines, Madison, 1959. The map on p. 176 shows the distribution of the Jesuit, Augustinian, and Franciscan parishes in central Luzon. Of the Tagalog country, the Augustinians monopolized Bulacan and Batangas provinces and the villages to the south of Manila.

3 Manila consultation, 19 Nov. 1762. H.M.S., V. 76, f. 87.

4 Manifesto by Drake and Council given at the Royal Palace, Manila, 16 Nov. Ibid., f. 82.

5 Ditto. Ibid., f. 83.

6 Manila General Letter to Fort St. George, 2 March 1763. Madras Military Consultations (19 May 1763), V. 49, f. 268.
Ditto to the Court of Directors, 2 March 1763, Abstracts of Fort St. George Letters Received, No. 1.

this, 90,000 came from "sundry naval, victualling and ordnance stores, confiscated and secreted effects".[1]

The Spanish Archbishop - General, Manuel Rojo, complained that the zeal with which the "ransom" was exacted deprived him of his own personal funds and jewels and the churches of their ornaments. He averred that what was agreed upon was only to deliver immediately everything that could be found in the deposits of the pious foundations[2] and to pay the

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1 The Scots Magazine for 1764, p. 455-6, published the various collections received toward the $4,000,000.

2 The pious foundations, called obras pias, were institutions placed in charge of pious legacies, temporalities and other funds and property for religious as well as charitable purposes. These funds were laid out in maritime speculations in the following manner: "one part appropriated to the China risks, at from 12 to 18 per cent premium, according to circumstances, and also those to Madras, Calcutta and Batavia, at from 16 to 22 per cent; the second which generally is in the largest proportion is employed in risks to Acapulco, at various premiums, from 27 to 45 per cent; and the third which is left in hand as a kind of guarantee to the stability of the original endowments".

The accumulation of enormous premiums from those speculations not only sufficed "to make up all the losses" but also "to secure the punctual payment of such charitable pensions and other charges as are to be deducted from the respective profits of this species of stock".

Almost to the end of the Spanish rule, the obras pias constituted the sole banks of the colony, the chief source of capital employed in external trade. Vide, Tomas de Comyn, Estado de las Islas Filipinas en 1810 Brevemente Descrito (translated by William Walton) London, 1821, p. 77-8; Luis P. Alvarez y Tejero, De las Islas Filipinas; Memoria, Valencia, 1842, p. 60-1; Rafael Diaz Arenas, Memorias Historicas y Estadisticas de Filipinas, V. 2, 1850, Cap. 15; Fray José Torrubia, Disertacion historico-politica, etc., Madrid, 1736, p. 74-5.

balance toward the 4,000,000 dollars with money brought in by the Filipino galleon and bills drawn on the treasury of the Spanish King. He claimed that the immediate payment of the first 2,000,000 was not provided for.[1] There were indeed two agreements made on the same day, 6 October, one of which confirms Rojo's claim.[2]

Nevertheless, in February 1763, Admiral Cornish, who was preparing to leave for Madras and despairing that the 4,000,000 dollar "ransom" would ever be paid in full from the elusive Filipino galleon, proposed the second plundering of Manila.[3] The Company's Government rejected this proposal as a violation of the capitulation. Cornish then threatened to land his men to enforce his will, but seems to have balked when the Manila garrison was put under arms.[4] It was at this point that Archbishop

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1 Letter from Archbishop Rojo to Drake and Council, Sta. Cruz, 16 Nov. 1762. H.M.S., V. 76, f. 78-81.

2 "Proposals of their Excellencies His Britannic Majesty's Commanders in Chief which are agreed to by the Most Illustrious Governor of these islands as likewise the Royal Audience, the City and Commerce, with the Clergy, both secular and regular," Manila, 6 Oct. 1762. H.M.S., V. 77, f. 59-60.

3 Gov. Drake's secret letter to Fort St. George, Manila, 23 Sept. 1763, in Abstracts Fort St. George Letters Received, No. 1. Also Drake's letter to the Earl of Egremont, Manila, 1 Feb. 1764, in H.M.S., V. 97, f. 299-31. Rojo also wrote of Cornish's proposal in his Narrative, published in Blair and Robertson, The Philippine Islands, V. 49, p. 248-50. Several Spanish officers in duplicate letters to the British King and the East India Company, Manila, 24 Feb. 1763, complained, among other things, that Cornish attempted to plunder the city "upon the apparent pretext that the capitulation had not been accomplished". H.M.S., V. 77, f. 159-77 (in Spanish). A copy in English is found in Miscellaneous Letters Received, 1763, V.45, f.390-400.

4 Rojo declared that when the Company's Government resisted the Admiral's suggestion for a sack of Manila, the latter then "set his gaze on the suburbs, especially on Santa Cruz where most of the Spaniards are."

Rojo drew the bills on his King for 2,000,000.[1] These were immediately endorsed by Cornish to the Bank of England, which was to negotiate their payment.[2] At the end of the war, the Spanish King refused to acknowledge the bills, along with those others, amounting to 45,000 dollars, drawn by Rojo for loans given to him by the Company's Council at Manila for the support of the Spanish officers and soldiers taken prisoners.[3] The "Manila ransom" became a bone of contention between the Courts of Spain and England and for some time occupied the public mind.[4]

The disagreement over the proposed sack of Manila, which could have

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He further claimed that the subsequent plunder of the church and convent of St. Augustine, along with that of the property of the Marquis of Montecastro and Don Andres Blanco, both of them escaped Spanish inhabitants of considerable means, swept away the effects of various private individuals. The account of the sack which Cornish furnished to the Archbishop was considered "improbable" and "ridiculous": $29,000 as against $800,000 which Rojo insisted was the true amount. Narrative, loc. cit.

The Spanish officers, mentioned in the above note, enumerated the instances of the Admiral's "inordinate manner of proceeding". Ibid.

1 Manila letter to the Court of Directors, 2 March 1763. Abstracts Fort St. George Letters Received, No. 1.

2 "Copy of letter from Admiral Cornish to the Governor and Court of Directors of the Bank of England. Copied from a copy of the original in the hands of the Bank of England which copy was received from thence 30 Sept. 1763". The letter is dated Norfolk, off Cavite in the Bay of Manila, 2 March 1763. Miscellaneous Letters Received, 1763, V. 45, f. 50.

3 The originals of two bills and a notarial copy of a third, with the replies of the Company's correspondent at Madrid, Estienne Drouilhet and Company, are found in H.M.S., V. 77 f. 127-32, 268-79; Misc. Letters Recd., 1763, V. 45, f. 46-46C, 280-281A, 313.

4 The Sixth Report of the Royal Commission on Historical Manuscripts of Great Britain contains considerable material on the Manila ransom.

led to an open clash between the King's squadron and the Company's garrison in the city, shows the difficulty inherent in the relationship between the military and the civil, or between two authorities with differing loyalties and conflicting interests. The main concern of the King's officer was to realize as much immediate gain as possible from the expedition, and the easiest, most effective way was through plunder. The Company's representatives were under an obligation to maintain peace, as the condition most conducive to trade. Such disagreements had been heard of in the settlements in India, but in Manila they became almost general and nearly nullified every benefit derived from the expedition and the occupation of the city.

When Draper turned the conquest over to the Company's agents, Cornish was in Cavite and was not a witness to the formal transfer of authority.[1] Cornish later expressed the opinion that "the conquest was not sufficiently compleat to resign the power from the military to the civil".[2] But when the Company's Government undertook expeditions to the outlying provinces to pacify them and sought naval support, he grudgingly gave his assistance. He even threatened to leave the islands with the entire squadron, although he was convinced of the necessity of keeping one or two armed vessels for the security of the garrison in Manila and for maintaining a free communication with the Port of Cavite.[3]

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1 Manila General Letter to Fort St. George, 25 Dec. 1762. Read in Madras Military Consultations (22 Feb. 1763), V. 49, f. 75.

2 Letter from Cornish to Fort St. George, Cavite, 26 Dec. 1762, Ibid., f. 88.

3 Cornish at length left behind the Falmouth of 50 guns, the Seaford frigate, and all the galleys. Manila General Letter to the Court of Directors, 2 March 1763. Madras Military Cons., (19 May 1763), V. 49, f. 265.

The military situation of the British in the islands was in fact a precarious one even from the beginning. Draper had had to leave his entire Regiment and all other troops brought on the expedition, all these just enough to garrison Manila and Cavite. After his departure the Company's government at Manila wrote to Fort St. George for a reinforcement of 2,000 Sepoys, with which they hoped to have "a proper footing" in the country.[1]

The forces which Simon de Anda y Salazar had been rallying around him were getting increasingly formidable. He established his headquarters first in Bulacan then in Pampanga, uniting with the Augustinians whose rich fiefs were mainly in those provinces. The English ascribed the "troubles" in the country to this combination. After the taking of Manila, efforts were made, through Archbishop Rojo, to get Anda to return to Manila and submit to the capitulation. When these failed, he was declared a rebel to both Spanish and British Kings, "as well by his Excellency the Archbishop and the Royal Audiencia as by the British Governor and Council".[2]

Anda's proscription became the subject of prolonged quibbling not only between English and Spaniards but also among the Spaniards on the one hand and the English on the other. It touched upon the larger issue involving Anda's claim to the title and office of Governor and Captain-General of the Philippine islands under his authority, and to which we

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1 Manila General Letter to Fort St. George, 25 Dec. 1762, ibid., f.77

2 Full text of the manifesto in H.M.S., V. 77, f. 75.

have already referred in some detail.

First in March, 1763, and again in the following August, the English tried to negotiate a truce with Anda.[1] Both negotiations broke down because Anda insisted on being addressed by his assumed title which the English consistently refused. Drake's position on the matter was that such acknowledgement would invalidate the articles of capitulation and the cession of the entire islands as signed by Archbishop Rojo and the Royal Audiencia. But other Englishmen in authority challenged the legality and validity of Anda's proscription. They argued that he was not at the capitulation, neither owed alliegiance to the British King nor violated any parole. Archbishop Rojo who was represented as having proscribed him also denied having done so.[2] But Governor Drake could not be persuaded to remove Anda's proscription. Thus hostilities continued after the royal proclamation of a truce reached Manila in July, and even after the preliminaries of peace arrived in August.

In December the Council strongly urged reconciliation with Anda owing to their "precarious situation". From information obtained by

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1 See infra.

2 Rojo said that in his letters to Anda, "he reproved and blamed him for the disturbances," but that his purpose was merely "to moderate his proceedings". Letter to the Manila Council, 25 May 1763. Read in Manila Consultations, (30 May 1763), V. 6, p. 116.

The English did presume to include Rojo's name in their manifesto. See Rojo's letter to Anda, 10 Oct. 1762, published in the Duke of Almodovar's Historia politica de los establecimientos ultramarinos de las naciones Europeas, V. 5, p. 268-9. Another, dated 23 Oct. 1762, synopsized in Blair and Robertson, op. cit., V. 49, p. 40. Nothing in these letters suggest that Rojo proscribed Anda.

Alexander Dalrymple while at Sulu, they had confirmed the report that "Anda was sent out by authority" to head the Spanish resistance against the English occupation. Thus they recommended, "as a prudent and necessary step," the removal of the proscription on Anda.[1] Captain Brereton, commanding officer of the King's ships remaining at Cavite, also urged the same measure not only with respect to Anda but also as regards the Augustinians.[2] When Drake still refused, he took steps to reach an agreement with the Spaniard on his own account.[3] The outcome was more acrimonious wrangling among the English. Finally, on 19 January 1764, the proclamation[4] revoking Anda's proscription was signed.

Meanwhile the violence of the invasion and the momentum of Anda's resistance had thrown the entire countryside into a ferment. In the interest of trade and industry, the two sources of revenue on the Company's ledger, Drake and his council were bid to placate and attract the Filipinos to the new regime. But from the start they found it almost impossible to get their exhortations heard. Indeed they tried almost everything in their power to win the inhabitants over to their side.

Following Draper's example,[5] they issued a manifesto exempting the

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1 Letter to Gov. Drake from Parsons, Stevenson and Jourdan, 11 Dec. 1763. H.M.S., V. 77, f. 297-301.

2 Brereton's letter to the British Board, read in Manila Cons., 22 Dec. 1763, V. 5, p. 235.

3 Idem, 16 Jan. 1764, ibid., V. 9, p. 2-3.

4 Proclamation dated 18 Jan. 1764, signed in the Cons. of 19 Jan., ibid., V. 9, p. 4.

5 "Draper and Cornish sent an edict to the Filipinos on 24 Sept. 1762, announcing that the Filipinos need have no fear of the British fleet,

native people from all taxes and personal services imposed on them by the Spanish Government.[1] They addressed themselves particularly to the inhabitants of Bulacan and Pampanga, the two "most disaffected" provinces. Subsequent manifestos were outright invitations to disloyalty to Anda and the Spanish clergy. Those who would "quit the party of the rebels" and "make their submission" to the English Government would be released from "the capitation tax and personal services to the ecclesiasticks," would be kept "in the free exercise of their religion," in fact enjoy all the protection guaranteed by the British King to his subjects.[2] They were even promised the earth. "All the lands usurped from the natives by the Augustine Order" were to be restored to their former owners, upon the latter "making good their claims".[3]

All the villages which submitted to the British in peace were allowed to resume elections of their captains and other officers as under the Spanish government.[4] Their choices were afterwards confirmed by

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provided that they do not join the Spaniards or assist them in any way. They will be received under British protection; their women and children will be free from outrages; full prices will be paid them for food; they will be free to go and come as they please; and freedom of worship will be conserved to them. If they do, on the contrary, aid the Spanish, then they must fear the punishment that will be inflicted." Derived from a Spanish manuscript entitled Ingleses en Filipinas by Blair and Robertson, op. cit., V. 49, f. 104, p. 163.

1 Manifesto, dated 4 Nov. 1762. Full text in H.M.S., V. 77, f. 75. Another manuscript copy in ibid., V. 76, f. 35-6.

2 Manifesto given at Manila, 15 Jan. 1763, ibid., V. 77, f. 153. Vide, another of 23 Jan. 1763, ibid., f. 157.

3 Manila Consultations (13 Nov. 1762), V. 1, p. 33.

4 Ibid., (30 Nov), p. 46.

sending them commissions, also according to an old Spanish practice.[1]

An even more interesting measure, with possible implications for the future, was the appointment of secular[2] in the place of regular clergy[3] to administer the parishes, particularly those previously held by the "rebellious" Augustinians.[4] The seculars, whose superiors were the bishops, could be expected to listen to the English puppet, Archbishop Rojo. The natives would also be drawn to the new government by allowing them the choice of their parish priest, who was likely to be one of them. This was indeed an innovation for those times. The training of a Filipino priesthood had been discouraged by the "regulars", and the native priests had been successfully barred from administering any parish. It should be noted, for what it is worth, that not long after the departure of the English from the islands, Archbishop Sancho de Santa Justa y Rufina, prelate of Manila from 1767-76, in an attempt to get as many of the parishes as possible under the episcopal authority, ousted many of the

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1 The villages whose elected officers were acknowledged by the British were Sta. Cruz, Binondo, Tondo, San Sebastian, Quiapo, San Pablo, Pasay, Antipolo, Pandacan, Sta. Ana, Taytay, San Juan del Monte, Marikina, Pasig, Taguig, Tambobong and Guadalupe. Ibid. (7 March 1763), V. 6, p. 39.

2 Seculars were priests trained in seminaries for parish work.

3 The regular clergy were members of various religious orders or corporations whose functions were mainly to proselytize and uphold Church doctrine.

4 When the English attacked Pasig, the Augustinian friar in charge of the parish there fled and Rojo was asked to recommend a secular priest in his place. The inhabitants of Taguig, Paranaque and other villages to the south of Manila, which were overrun by the English in their march toward the Lake or Laguna, were left to choose their parish priests. The Manila Board enjoined the English captain to follow this "same plan" which they believed would have a good effect by attaching the Indians" to them. Manila Consultations, (Dec. 2, 5 and 12, 1762), V. 1, p. 48, 58; V. 2, p. 12.

Spanish regular clergy and replaced them with Filipino priests.[1]

These peaceful methods of reconciling the Filipinos evidently had little effect. As the British Council at Manila early admitted, "only force can ever accomplish" their objective. They also suggested that "until every friar is sent off the island," they could not hope that the country could be "properly settled."[2]

The truth is that the loyalty of the Filipinos to the Spaniards was in direct proportion to the effectiveness of the latter's authority. In provinces where the arm of the Spanish law hardly reached them, they were inclined to be recalcitrant and quite troublesome. In fact the English invasion unleashed several uprisings, the most serious of which were those in the distant northern provinces of Ilocos and Pangasinan. But those places were too far also for the English to turn such opportune native unrest to their benefit, and before long the Spanish authority was re-established by Anda's forces. On the other hand, as in Bulacan and Pampanga, where Anda was entrenched with the backing of the powerful Augustinian Order, there was scarcely any native disturbance directed against the Spaniards.

The invasion demonstrated at least one crucial fact in Philippine history. The Filipinos were not as attached to the clergy or the Catholic Church as the English seemed to believe. The clergy, unless they were backed by the authority of the alcaldes[3] and chiefs of the villages,

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1 Phelan, op. cit., p. 87-88.

2 Manila General Letter to Fort St. George, 25 Dec. 1762. Madras Mil. Cons. (24 Feb. 1763), V. 49, f. 75-6.

3 Provincial governors.

exerted very little influence on the native inhabitants. The formidable alliance of Anda and the Augustinians in Pampanga and Bulacan is a case in point. The revolt in Ilocos is another, where the Augustinians were also established, but where the alcaldes had forfeited their authority by extortion from the natives and abusing their privileges.

In the Laguna or Lake province, where the English quickly asserted their authority by a show of force, the native inhabitants proved very cooperative and for many months kept Manila supplied with most of its provisions. But once the English showed a weakening of purpose, as in their inability to follow up military advantages, particularly in the southern region of the Lake, the people threw in their lot again with the stronger side. The Pasig post which guarded the northwest entrance to the lagoon was grudgingly retained, and might well have been abandoned if it had not been for Captain Backhouse's strong opposition.

The expedition to Pasig was launched on 21 November 1762. A considerable body under Captain Backhouse was detached from the Manila garrison to dislodge the enemy from the area at the junction of the Pasig River and the Laguna de Bay.[1] Pedro Busto, Anda's second-in command, had taken up his position there with a large native army so as to prevent supplies from leaving the Lake for Manila. The English detachment marched through "inaccessible woods" and unceasing rain to Marikina, where they were held up by the overflowing of the river.[2] At the same

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1 Manila Consultations, V. 1, p. 45; V. 2, p. 1.

2 Letter from Backhouse to Russell, 24 Nov. 1762, ibid., p. 4.

time, a large enemy detachment was reported to have come down from Bulacan to head the English off and cut their communication with Manila. Admiral Cornish was thus asked to send some armed boats and sailors to guard the river and join Backhouse in the attack on Pasig.[1] But Backhouse reached his objective before the boats arrived. He found "many thousands of people" behind a breastwork of bamboo and earth. These were "immediately put to the rout," many of them driven into the river, or pursued closely by the English "on dry grounds for upwards of three miles."[2]

The church at Pasig was reinforced and a regular post set up. Backhouse stressed the advantages of the place, which to him was "the best situation ... to command the most fruitful country". He urged that the outpost should be kept as long as the English were in possession of Manila. He visited other villages on the Laguna where the inhabitants, hearing of his success at Pasig, received him without resistance. He now recommended an expedition further down and round the lake to seal it off from the enemy, but he would defer it until the Manila Board were sure of the line of action to pursue with respect to captured "rebels" and their property.[3]

The Company's government at Manila was, however, impatient to deal a decisive blow against Anda. Backhouse had scarcely set up a garrison at Pasig, when they proposed sending an expedition against Bulacan. The

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1 Diary, 23 Nov., ibid., p. 3.

2 Backhouse, 26 Nov., ibid., p. 6.

3 Idem, 28 Nov., ibid., p. 10.

plan was to leave a garrison at Pasig, thence to march Backhouse's augmented detachment, consisting of 300 Europeans, 150 Sepoys and four guns, northward through the villages of Meycawayan, Marilao, Bocaue, Bigaa and Guiguinto. At the same time, in the Bay, Admiral Cornish would be asked to embark a force, landing it on the rear of the enemy, to cut off their retreat to Pampanga, while Backhouse attacked the front.[1] Backhouse, however, strongly objected and convinced Governor Drake of the "impossibility" of marching through rough country in the rainy weather and with the paddy fields still uncut.[2] The Manila Board then decided to send the entire force by sea, thus requiring substantial assistance from the Admiral. They, however, received a rebuff from the latter who chided them for planning expeditions without his counsel and declared that he was leaving for Madras with the whole squadron.[3]

The Board was nevertheless determined to launch the campaign and ordered Backhouse to be ready with at least 100 Europeans from the Pasig detachment.[4] But Backhouse fell ill, and Captain Sleigh was appointed in his stead. In the end, the Admiral relented and detached a vessel from his squadron and landed 200 seamen to add to the depleted garrison at Manila. Meanwhile, the Chinese in the Parian offered Governor Drake 400 of their people to be "armed as auxiliaries" at their expense to join the

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1 Cons. of 4 Dec., ibid., V. 2, p. 13-

2 Backhouse's letter, Pasig, 6 Dec., ibid., p. 17.

3 Cornish's letter, 18 Dec., H.M.S., V. 77, f. 119-20.

4 Cons. of 20 Dec., ibid., f. 123-5.

expedition. Seeing that they would be useful for "repairing the roads or scouring the hedges, procuring provisions, etc., "besides costing them nothing, the English accepted the offer.[1] On 19 January 1763, the expedition[2] sailed for Bulacan River. On the 20th, they arrived at Malolos,[3] eight miles from Bulacan, and forced the enemy's strong post there, "defended by 1500 or 2000 men".[4] Two days afterwards, the march on Bulacan was resumed. On reaching there, they found the enemy posted in the church, which was "strongly fortified with stockades and bastions," but in about two hours was taken by storm.[5] In the church alone, about 400, "through their own obstinacy,"[6] were put to the sword.

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1 Manila Cons., (15 Jan. 1763), V. 5, p. 8.

2 The force consisted of 300 Europeans and 200 Sepoys embarked on the "half galley," the Company's sloop, the Pasig and about 30 champanes. Manila General Letter to Fort St. George, 2 March 1763. Madras Military Consultations, V. 49, f. 259.

3 According to one Spanish account, the English were to enter Bulacan River by the Bar of Binoangan (Binuangan), but were prevented by the strong wind, thus entered through Pumaraua (Pumarawan), arriving at Malolos by way of the streams connecting the two. Montero y Vidal, op. cit., p. 53.

4 Letter of Dawsonne Drake to Adm. Cornish, 22 Jan. 1763. Ibid., p. 17. Montero y Vidal writes that at Malolos the English did not encounter any resistance, op. cit.

5 Letter from Captain Sleigh to Major Fell, Bulacan, 23 Jan. Manila Cons., V. 5, p. 22.

6 Letter from Manila to the Court of Directors, 2 March, ibid., V. 3, p. 34. In another letter the Manila described the fight in the church thus: "the beseiged obstinately defending the body of the church and afterwards every room, so exasperated the soldiers and sepoys that few or none escaped." Ditto to Fort St. George, ditto, Madras Mil. Cons., V. 49, F. 260.

Hearing of this victory, the Manila Board decided to follow it up by a march on the province of Pampanga.[1] But Sleigh got bottled up in Bulacan, with the entire country around in arms. In the town, there was "nothing to be met with but bare walls;" all the inhabitants had fled and the valuables of the church had been sent out in safety.[2] On 29 January, a large body of Anda's men, which Sleigh believed to be the main enemy force, about 3 to 4,000 strong, came down within half a mile of the rear of the English post.[3]

The Admiral was asked for a reinforcement, but troubles in Cavite prevented him from sparing any.[4] By 2 February, Sleigh's position was such that he could neither retreat to Manila by land nor go forward to Pampanga, "without running too great a risk". A detachment was sent to cover his retreat to the coast, where boats were despatched to embark his troops for Manila.[5]

Thus ended the inconsequential Bulacan campaign. The Manila Board was now gravely worried about their military situation. With the departure of the Squadron, they doubted whether they could even keep Manila. They feared the possibility of an enemy landing in the Bay and the loss of

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1 Man. Cons., V. 5, p. 22.

2 Letter from Sleigh to Fell, 25 Jan., ibid., pp. 25-6.

3 Ditto, 29 Jan., ibid., p. 27.

4 Ditto, 2 Feb., ibid., p. 43.

5 The returning party was to land above Tondo and either march through Sta. Cruz or go up the river Pasig to the Almacen Gate. They were to reach Manila by 10 Feb. Ditto, 8 Feb., ibid., p. 52.

communication with the naval base at Cavite. Thus they decided to concentrate all forces at and near Manila, by abandoning the post at Pasig, which had been lately cut off by the enemy from Manila, and by establishing a nearer one either at San Nicolas or Guadalupe. Armed vessels would be stationed on the Lake, which they hoped would accomplish the purpose of the Pasig outpost.

Backhouse was somewhat piqued that the Council decided to demolish his post without previously consulting him. Besides, he was convinced that the position in Pasig was the best for guarding the supply line from the Lake to Manila.[1] He was then sent, together with two other persons of experience, to examine the area between Pasig and Guadalupe and to recommend the best possible site for an outpost. The choice reverted to Pasig,[2] but Major Fell, Commandant of the Manila garrison, raised an objection. Backhouse was thus called to Manila to give a more ample report. At the consultation which followed, of both civil and military authorities,[3]

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1 Letter from Backhouse to the Manila Board, Pasig, 11 Feb., ibid., p. 58-9. Later, he justified the retention of the post from the services rendered by it, which the enumerated as follows (a) it dislodged the enemy from a post between Pasig and Taguey; (b) the bar or entrance of the river Pasig from the Laguna was cleared; (c) all the enemy armed vessels on the Lake were either taken or destroyed, Tunasan was taken, and that part of the country settled; (d) Pagsanjan was reduced and the enemy dislodged from the area reaching from that strong post all the way to Calamba; (e) Lipa and San Pablo in the interior were also occupied, and several enemy attempts to return frustrated. Ibid., p. 111.

2 Letter from Capt. Stevenson to the Manila Board, Manila, 13 Feb., ibid., p. 62.

3 At this special meeting, held on 19 Feb. were Governor Drake and his Council, Captains Stevenson and Myers of the Company's troops, and Major Fell and Captain Backhouse of the King's 79th Regiment. Ibid., p. 64-5.

it was agreed to retain the Pasig post. As further security for the city of Manila, a galley should be stationed off Mariveles to guard the entrance to Manila Bay, while other vessels should be armed, which together with boats loaded with provisions enough to last seven days for 200 men, should be kept always ready at the Almazcen Gate (Puerta de Almacenes), on the northern side of the city facing the river Pasig.

Whatever military successes the English reaped during their stay in the islands they owed mostly to Captain Backhouse, an officer in the King's 79th Regiment. Of the commanders who served in the field, he alone had a grasp of the military situation and a working plan to offer. His main concern was the Lake and the maintenance of its viability to the English. He was indefatigable in the pursuit of this objective and fought against overwhelming odds in the rugged and hostile countryside, directing campaigns with relentless courage tempered by humanity. However, like many others, he clashed with the Company's delegates administering at Manila, particularly the Governor. He was taken for an insubordinate rather than overzealous military servant. He was recalled from the field, and his talent thereafter went to waste on squabbles with the civil authority.

While Backhouse was setting up the post at Pasig, partisans of Anda were assembling along the southeastern side of the Laguna. Among them were the Marquis of Montecastro and Don Andres Blanco who had eluded the English and were being hunted to render their share of the "Manila ransom." In February 1763, Backhouse made a reconnaissance of the northwest side of the Lake and saw that the enemy were active there also.[1] After taking

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1 Letter from Backhouse to the Manila Govt., 17 Feb., ibid., p. 62-3.

their vessels and driving them from Tunasan, Backhouse hastened down to Manila to apprise the Board of the situation in the Lake. He had received information that the strength of the Spanish forces was concentrated at Pagsanjan and Sta. Cruz, on the southeastern coast of the Lake; "their numbers at the former were 4,000 and at the latter 3,000 by the best account". Backhouse proposes to march against them and asks the Board for 100 men to reinforce those he plans to detach from the Pasig outpost.

The Board agreed, but a few days afterwards, the Spanish oidor, Villacorta, was caught carrying on a conspiratorial correspondence with Anda.[1] The matter worried the Board so much that they reneged on their former resolution to assist Backhouse, according to his request, fearing that the city itself was the target of the conspiracy. After much dallying and haggling. Backhouse got a scant reinforcement of twenty Sepoys.[2] By that time the marquis had left Pagsanjan and was on his way to join Anda in Pampanga. Backhouse, with his meager force, was merely to try to intercept Blanco or prevent him and the others from crossing the Lake and uniting with Anda.

Backhouse's expedition embarked from Pasig on 2nd April.[3] He was two days leaving the bar of Taguig which had been effectively blocked by the

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1 On 15th March, a letter was intercepted addressed by Villacorta to Anda, informing the latter of the English straitened military situation and advising him to come down immediately to Manila with his force. The Manila Board thus suspected that there was a plot afoot "to surprise Manila by treachery". Transcription of the letter in Man. Cons., V. 5, p. 73-4. See also letter from Gov. Drake to the Select Committee at Fort St. George, 17 March 1763. Madras Mil. Cons., V. 49, f. 53-4.

2 Cons. 24 March. Ibid., p. 74-5.

3 See map of the Laguna district following this page, photocopied from the "Plano de Laguna de Bay...," dated 1792, preserved at the British Museum.

1642. 6

PLANO DE LA LAGUNA DE BAY DISTANTE DE MANILA QUATRO LEGUAS CON TODOS SUS PUEBLOS Y RIOS AÑO DE 1792

EXPLICACION

1. Guadalupe.
2. S. Nicolas.
3. Pasig.
4. Mariquina.
5. S. Matheo.
6. Antipolo.
7. Cainta.
8. Taytay.
9. Angono.
10. Mina de fierro de Sta Ynes.
11. Ydm de Mainit.
12. Bosoboso.
13. Mina de fierro de S. Andres.
14. Ydm de Cueba.
15. Saqunita.
16. Binangonan.
17. Sapao.
18. Moron.
19. Fundicion de fierro.
20. Baras.
21. Tanay.
22. Pililla.
23. Mina de fierro de Amosavan.
24. Ydm de Davang.
25. Ydm de Simbacan.
26. Ydm de Marolas.
27. Ydm de Catinay.
28. Quinao.
29. Tortorila.
30. Mision de Calumpan.
31. Sta Maria Caboan.
32. Mabitac.
33. Siniloan.
34. Sariqil.
35. Paquil.
36. Patte.
37. Lonigos.
38. Lumban.
39. S. Antonio.
40. Pagsanjan.
41. Sta Cruz.
42. Pila.
43. Cavinti.
44. Nagcarlan.
45. Lilis.
46. Majayjay.
47. Calauan
48. S. Pablo.
49. Bay.
50. Los Baños
51. Calamba.
52. Cabuyao.
53. Sta Rosa.
54. Binan.
55. S. Pedro Tunasan.
56. Tunasansillo.
57. Muntinlupa.
58. Hagonoy.
59. Taguig.
60. Hacienda de Marysapan.
61. Ysla de Talim.
62. Guinabotasan.

Escala de 8. Leguas de 5000. varas cada Legua.

1 2 3 4 5 6 7 8 Leguas.

native inhabitants, whence he sailed directly across to Pagsanjan, routed the enemy there, and proceeded to reduce Santa Cruz.[1] The enemy troops had, however, fled to Majayjay, in the interior of the Laguna Province. Backhouse, unable to pursue them with his insufficient force, instead swept south through Los Banos and San Pablo to Lipa.

At Los Banos, Backhouse learned that an enemy party was posted at Lipa, commanded by officers from the galleon Filipino and in custody of money landed at Batangas from that ship. On arriving at Lipa, however, he was informed that the money had been carried back to Batangas. He was told further that the entire Filipino load of silver money had been re-embarked on smaller vessels at Palapag, which in turn were to land it at two different points on the island of Luzon. One part of the treasure was brought to Callavoya,[2] thence to be conducted on land to Lukban, and the other to Batangas, thereafter to make its way to Lipa.[3]

Backhouse appealed to Manila for aid to enable him to attack Batangas. But the reinforcement was delayed by bad weather in the passage by sea, and he struck out before it arrived. Batangas was reached, deserted by all its inhabitants and relieved of the money from the galleon. About the convent, however, he dug up some shot and money, probably a ruse

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1 Backhouse's "account of his expedition up the Lake, Cumberland, off Santa Cruz, 9 April. Ibid., p. 79-81.

2 Perhaps "Calilayan" on Tayabas Bay.

3 Backhouse's letter to the Governor and Council of Fort St. George (n. d.) (imperfect). Ibid., V. 3, p. 41-5. Cf. letter to Manila, dated Cumberland galley, off Calamba, 19 April, read in Cons. 22 April, ibid., V. 5, p. 87-9.

to make him think that the rest was buried nearby.[1]

Backhouse now proposed garrisoning both Batangas and Lipa. He claimed that "the spring of Anda's action and sinews of his faction lay in this part of the island". Both the bulk of the treasure brought in on the Filipino, worth "at least four million dollars," and the greatest part of Anda's forces were staked in the area. "Give me but one-fourth of your garrison and two field-pieces, and I will sit down on the most dangerous plain you can find out in the island," he urged the Manila Council. His plan was to sail either from Batangas to Mauban or from Calamba to Pagsanjan, thence to march against Majayjay and Lukban. His strategy consisted of drawing Anda from his secret bases into open battle at Lukban, where he would surely "fly with his adherents" to secure the treasure lodged there.[2]

Governor Drake was, however, not convinced. From information fed to him, the galleon's cargo had already reached Anda in Pampanga, and the real threat from Anda's forces lay to the north of Manila.[3] On 26th May,

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1 Letter to Manila, dated Batangas, 30 April. Ibid., p. 97.

2 Ditto, dated Lipa, 8 May, ibid., p. 110-1. Cf. ditto, dated Pasig, 26 June, ibid., p. 151.

3 The gist of the intelligence received by Drake and communicated to the Council on 17th May is as follows: At Bacolor are large quantities of ammunition and 30 cannons in the entrenchments. Twelve thousand people are kept in the pay of Anda composed of Spaniards, Guachinangoes, French, Malabars, Pampangos and Indians (sic). Of these, 6,000 are at Quingua under Bustos whence they intend burning Santa Cruz, on the outskirts of Manila. Fifteen hundred are in the Lake. The rest are at Bacolor. From the great promises given to deserters from the English camp and the number of Indian troops maintained, large sums of money must have been defrayed, which Anda could hardly afford unless supported by funds from the Filipino. Ibid., p. 127.

Backhouse was ordered to repair immediately to Manila; "but it was not till after triplicate orders had been dispatched that he returned".[1]

Anda had in fact sent huge bodies of troops to the Laguna to reinforce his partisans there and to convoy the treasure overland to Pampanga.[2] At the same time, he increased the pressure on Manila to divert the English from the line of march of those troops.[3]

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1 Letter from Manila to Fort St. George, signed William Stevenson and Francis Jourdan, Mirabella (Mariveles) Bay, 16 April 1764. Madras Mil. Cons., V. 51, f. 729-30. See also the letters exchanged between Backhouse and the Manila Board from 13 June to 12 August 1763. Man. Cons., V. 5, passim.

2 After Backhouse's success at Pagsanjan and Sta. Cruz, Don Francisco Xavier Salgado, the Spanish commander in the Laguna and Batangas provinces, sent for reinforcement which Anda quickly supplied. The latter "sent deserters, Spaniards, and Pampangos to the amount of 4,000 men with four "guns". This detachment marched through Marikina, then past Pasig, round the northeast side of the Lake into Majayjay. To fetch the Marquis of Montecastro, a cavalry party met him at Morong, thence to be conducted over the mountains to Anda's base. Vide, Backhouse's letter to Manila, 30 March, ibid., p. 77; idem, to Fort St. George (imperfect and no date, probably written in June or July 1763 after his campaigns in the Laguna and Batangas provinces), ibid., V. 3, p. 41-5.

3 On 17th April it was reported that a body of 500 Pampangos with firearms were moving against either Manila or Pasig. Military posturings were also subsequently rumoured in Cavite and seemed to be aimed at the English post in Lipa. On 9th May, a priest informed the English that 5,000 Pampangos with all the European and Sepoy deserters from the British camp and few pieces of cannon were in formation at Marikina and were "for certain to attack Pasig". Each subsequent report located the enemy closer to Manila. They were to be found in Maysilo and Malinta, had attacked San Pedro Makati, and were repulsed at San Francisco del Monte. The approach of the Spanish forces was driving the inhabitants from their homes in Sta. Cruz, Binondo, Quiapo, and other suburban villages of Manila. San Juan del Monte and Mandaluyong were said to be harboring "malcontents". Becoming "very troublesome," a party was dispatched against those places, and the houses which the enemy had converted into barracks were burned. Ibid., V. 5, passim.

The enemy's movements in the very outskirts of the city heightened the alarm of its English occupants who had other problems worrying them. One was the widespread desertion from their ranks: soldiers of the 79th Regiment, Sepoys,[1] Lascars, and most serious of all, the French auxiliaries.[2] Within the last few days of February 1763, thirty-one from the English camp had gone over to the Spanish side.[3] Of the French companies brought on the expedition, nearly half had already absconded and were strengthening the enemy greatly by supplying the European contingent necessary to lead the Filipino fighters.[4] Lest they should

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1 An English officer wrote to a friend in October 1763 that he was afraid that the other side would soon have most of the Sepoys, as it was likely that the occupation forces would have to stay another year. Letter, Manila, 4 Oct. 1763, from Capt. Matthew Horne to Richard Smith. Orme Collection, Various, V. 27, f. 99.

In Cainta, a town very near Pasig, the great majority of the population have distinct ethnic features, of the south Indian type. It is generally held that they are descended from the Sepoys who came on the expedition of 1762 and deserted to the enemy. To my memory, an Indian scholar not too long ago came to the town and found no cultural affinities between its people and their racial ancestors; Cainta is as Filipino as any other town in Rizal province.

2 These were deserters from the French lines during the fighting in India, particularly in the seige of Madras.

3 As inducement, the Spaniards offered to every deserter $200 advance and $1.00 daily allowance. In retaliation it was suggested that the English offer $200 to anyone who might cause the discovery and conviction of a person involved in suborning their men. The deserters from the English camp were believed to be conveyed out of the town in covered sedans sometime after they were discovered missing. Letter to the Board from Major Fell and Capt. Backhouse, 3 March 1763, Man. Cons., V. 5, p. 70.

4 Letter from the Board to Adm. Cornish, 27 Feb., ibid., p. 67.

all go over to Anda,[1] the remaining ones were shipped off to Madras with the Admiral's squadron which left on 2nd March.[2]

The English at Manila were now beginning to feel the pinch of a dwindling treasury[3] and a growing scarcity of provisions. Anda was tightening his blockade of the city and had been fairly succesful in preventing the native inhabitants from aiding the English by intimidation.[4] Where before the Manila Board hoped that a military reinforcement from Madras would enable them to reap some real benefits from the conquest, now they discounted the notion as hardly feasible. Such

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1 Out of some 150 embarked at Madras, 2 sergeants and about 60 privates left the English side. Manila General Letter to Fort St. George, 2 March 1763. Madras Military Cons., V. 49, f. 278.

2 Diary, 2 March, Man. Cons., V. 5, p. 69.

3 In March 1763, the Company's cash at Manila was only about 114,000 dollars, "barely sufficient for the charges of the garrison for four months". The Manila Government thus appealed to Fort St. George for assistance, "a consignment of treasure for a year... at least... six lacks of rupees" (or 600,000 rupees, which had an exchange value of 300,000 in Spanish dollars). Man. Gen. Letter to Fort St. George, 2 March 1763, Madras Mil. Cons., V. 49, f. 268.

4 Anda published severe edicts against any person who should carry any provisions to Manila or Pasig. In his manifesto of 5 Jan. 1763, issued in Mexico in the province of Pampanga, he ordered all provincial governors to prevent any victuals from reaching Manila. He also warned the Friars Hospitalarians of the Order of St. John of God, whom he had heard had been supplying the English, to continue to do so on pain of being declared disloyal to the Spanish King, of losing their temporals, and of being expelled from the islands. Copy of the manifesto in English in H.M.S., V. 77, f. 149-52.

On the 25th of the same month he condemned any person found supplying the English "to be burnt by the common hangman at the most public places". Man. Cons., V. 5, p. 21.

His edict of 11 Feb. 1764 issued at Bacolor, was milder and merely imposed the penalties of confiscation of effects, banishment to some out-garrison for two years, or work on a galley or foundry for two years without pay. Full text in English in ibid., V. 9, p. 32-3.

assistance as the Indian settlement could afford to send over would not be sufficient to subdue an island where the native inhabitants possessed many advantages for the guerrilla type of warfare. It could scarcely take the field until after a year from its arrival, owing to the intervening rainy season, during which time it was "absolutely impracticable" to march through a country deemed in every respect unfavorable to military operations even in dry weather.[1]

By the beginning of March the English had arranged to send Fr. Bernardo Pazuengos, the Jesuit Superior and Provincial, to negotiate with Anda for a mutual suspension of hostilities,[2] during which they hoped to be able to gain fresh resources. The English terms provided, among others, for a demilitarized zone of two leagues between the two camps, a free and uninterrupted commerce, and the exchange of deserters and criminals "on promise of their lives and not too rigorous punishment". The truce was to be valid for the island of Luzon only as they were thinking of taking Zamboanga as soon as the island was restored to peace. The negotiationnwould be done wholly by word of mouth "an entire faith and credit" being given to Pazuengos.

Two weeks afterwards, the Jesuit returned. "From the reception he met with and the obstacles that arose,"[3] the English gave up all hope of

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1 Letter from the Manila Government to the Select Committee of Fort St. George, 1 March 1763. Ibid., p. 49.

2 Ibid., p. 50, et. seq.

3 The main obstacle evidently was that Pazuengos was to negotiate only verbally; thus he bore no written acknowledgement of Anda in his assumed titles of Governor and Captain-General of the Islands. The

success for further negotiation. The Manila Board now urged "the absolute necessity" of reinforcement from India.[1]

Meanwhile, Anda had been having troubles of his own. The Chinese, who had always been descriminated against by the Spanish government at Manila, took the side of the English immediately upon the arrival of the latter. Large numbers of them had been recently expelled by Governor Arandia (1754-9) from the islands. Only those who were declared Christians were allowed to stay and on condition that they would engage exclusively in agriculture.[2] In December 1762, those resident in Pampanga conspired with their countrymen in the Parian,[3] with the alleged support of the English, "to massacre Anda, all the Augustinian friars and all other Spaniards"[4] in the church of Guagua, a village near the provincial capital of Bacolor, while they attended the Christmas night Mass. The plot was

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persistent refusal of the English to address him accordingly frustrated several other missions which they themselves initiated, like those of Fr. Pedro Luis de Sierra, Prior of the Dominican Order, Juan Francisco Solano, a Spanish inhabitant of Manila, and Fr. Juan de la Concepcion, Prior of the Recollect Order. Letter from de la Concepcion to the Manila Board, 11 Sept. 1763, H.M.S., V. 77, f.227-30.

1 Letter from Gov. Drake, etc., to the Select Committee of Fort St. George, 17 March 1763, Madras Mil. Cons., V. 49, f. 53-4.

2 Juan Ferrando, Historia de los P.P. Dominicos en las Islas Filipinas, 1870-2, Tomo IV, p. 587; Sinibaldo de Mas, Informe sobre el estado de las Islas Filipinas, I, p. 150-1; Jose Montero y Vidal, Historia general de Filipinas, etc., II, p. 82-3.

3 The Chinatown during Spanish times situated beyond the eastern walls of Manila.

4 Joaquin Martinez de Zuniga, Historia de las Islas Filipinas, I, p. 477.

discovered, and the Chinese were nearly all cut down.

When the English were preparing their expedition against Bulacan in the following month, the Chinese at Manila, allegedly to avenge their disaster at Bampanga,[1] made the offer of 400 armed auxiliaries to join the expedition, as we have seen. The Spaniards claimed that these Chinese committed various atrocities, especially during the storming of the church and convent of Bulacan.[2]

In February of the same year, the English received reports that the Ilocos and Pangasinan provinces had thrown off "the Spanish yoke". The Manila Board agreed to send a boat to those places to find out from the people there whether they would like to submit to the British authority or carry on the same trade with the English as they had done previously with the Spaniards.[3] On 24th March they consulted again on the revolt in Pangasinan[4] and dispatched an elaborate letter to the rebel chief there.

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1 Man. Cons., (15 Jan. 1763), V. 5, p. 8.

2 "After the English entered the convent, the Filipinos hid in the sacristy and attic. The Chinese, many of whom had died by the enemy's fire in the assault, hunted them down and asked the English to allow them to put them to the sword". The same fate befell the Augustinian friars. Zuniga, op. cit., p. 451.

3 Man. Cons., 14 Feb., V. 5, p. 61.

4 Of the Filipino revolts that broke out after the English had taken Manila, the most obstinate was that in Pangasinan, continuing well after the English had left the islands. It broke out in the village of Binalatongon on November 3, 1762 when the Alcalde-Mayor enforced the collection of the royal tribute. Anda commissioned a lieutenant-general to set things right in the troubled province. The rebels, pacified somewhat by Bishop Ustariz, were induced to ask Anda for another Governor with which the latter complied. But the rebellion broke out again. Anda then sent a considerable detachment to quell the revolts simultaneously in progress in Pangasinan, Ilocos and Cagayan.

They offered protection to his people, aid against his enemies, exemption from the poll tax and other services, free commerce with Manila, ready money for their goods upon receipt by the English, and religious liberty.[1]

On 14th May, a letter was received from Diego Silang, leader of the revolt in Ilocos.[2] He recounted his people's grievances against the Spanish government in his province and complained about the cruelty of the Augustinian friars.[3] He feared that Anda, from information given him

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The rebels in Pangasinan however, could not be subdued in one battle. They persisted under various leaders and were not effectually subdued until March 1765. The rebellion took such a heavy toll that only half of the original population was believed to have survived. Accounts of this and the other rebellions are given in Martinez de Zuniga, Historia de las Islas Filipinas, Sampaloc, 1803, cap. 36; Anda to Carlos III (extract of forty-six representations of June and July, 1764), Blair and Robertson, op. cit., V. 49, p. 300-6.

1 Manila Cons., (24 March), V. 5, p. 75-6.

2 Pedro delVivar, who was witness to many happenings in this revolt, left a detailed account of it. His main argument was that if his fellow Augustinians had proceeded with more enthusiasm and courage, Diego Silang would not have acquired so much influence throughout the Ilocano region. Relacion de los alzamientos de la ciudad de Vigan, cabecera de la provincia de Ilocos, en los anos de 1762 y 1763. Composed in 1763; published as part of Vol. IV of Biblioteca Historica Filipina, Manila, 1893.

3 The following are given by Spanish historians as causes of the Ilocos revolt: abuses of the governor, resentment of the tribute, news of the English invasion, and the revolt of the Pangasinenses, with whom a large number of their countrymen settled in Ilocos Sur had been in contact. Diego Silang, who had acquired a wide experience and acquaintance from his frequent journeys to Manila as messenger of the parish priest at Vigan, easily roused the people in the province to unite for their defense against the invading English, on the pretext that the Spaniards could no longer protect them. He also enticed them with the prospect of eliminating all tribute and services. However, he overreached for his own good, meddled in religious matters and communicated with the English. He was assassinated by a Spanish mestizo on 28 May, 1763. Shortly after, the insurrection broke anew under Silang's uncle, Nicolas Carino, but was stifled before long. See Vivar's Relacion.

by Bishop Ustariz, would burn and destroy the province. He was thus seeking the protection of the English. He described how Ilocos might be put in a state of defense by their aid and promised his allegiance in return. He would also seize the Augustinians and deliver them to the English. As proof of his "fidelity, submission, and sincere affection," he was sending 12 loaves of sugar, 12 baskets of calamay (a kind of pudding), 200 cakes or balls of chocolate".[1]

The reply of the English Council at Manila was a promise of assistance with troops and the appointment of Silang as Alcalde-Mayor or Governor of the Ilocos province. They were also sending him blank commissions to be distributed to the officers of the villages upon their election. He should send down all Augustinians friars and any other Spaniards and confiscate their property. He should also try to induce the rebel chief of Pangasinan, who was a relative of his, to join the English against the Spaniards. A present was being sent to him as a token of their friendship.[2] Captain Brereton also sent a letter by the Seaford, offering protection in the name of the King of England, and promising troops and war supplies to be sent "in a short time".[3]

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1 Full text of the letter read before the Board, 4 May, Man. Cons., V. 5, p. 97-9.

2 Ibid., (6 May), p. 100-2.

3 Full text of Brereton's letter to Diego Silang, dated Manila, 6 May 1763 in Marques de Ayerbe, Sitio y conquista de Manila por los ingleses en 1762, Zaragoza, 1897, p. 118-11. This letter caused one of several wrangles between Brereton and the Manila Board. The latter claimed that there was no necessity for him to write to Silang and that he had interfered in a matter which pertained to them alone, like Admiral Cornish did in a similar case on the Coast of Coromandel. Letter from the Manila Board to Brereton, 13 May 1763. Ibid., p. 116.

Meanwhile Backhouse had been pressing the Board for reinforcement of his post in Lipa, in the province of Batangas, where he believed Anda's main force was assembled and the Filipino treasure was lodged.[1] The proposed expedition to Ilocos[2] was laid aside, and Backhouse's request was granted.[3] The Seaford returned on 17th May bearing what was perhaps Silang's last communication with the English. As Captain Peighin of the frigate was in a hurry to return to Manila before the South-west winds started, Silang would be sending his own junk to trade with Manila and to convey the Augustinian friars there.[4] Brereton, who had also received a letter from the rebel chief and who had earlier objected to the Board's maintaining the Batangas post at the expense of the proposed expedition to the north,[5] was convinced of Silang's sincerity and pointed out the advantages of an alliance with him, particularly that of attracting the Pangasinenses and Cagayanes to the English side.[6] On 28th May, Silang was assassinated by a man he knew and whom the Spaniards had tampered with.

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1 Letter from Backhouse to the Manila Board, 8 May, ibid., p. 111.

2 The Manila Board resolved to send a detachment to Ilocos consisting of "twenty Europeans and thirty Sepoys under the Command of Lt. Russell... with spare arms and ammunition". Cons., 4 May, ibid., p. 100.

3 Cons., 10 May, ibid., p. 112.

4 Letter from Silang to Drake and Council by the Seaford from Vigan, Ilocos, 15 May, ibid., p. 124.

5 Letter from Brereton, Cavite, 15 May, ibid., p. 118.

6 Ditto, 21 May, ibid., p. 124-5.

The insurrection immediately ceased,[1] while the English turned to more urgent matters.

The only successful English attempt at alliance with the native inhabitants against the Spaniards was with the Moros[2] of the southern parts of the archipelago, particularly those of Sulu. Their relations with this people during the occupation is treated in detail in other chapters. How the Sultan of Sulu, who had been in Manila as a "hostage" to the Spaniards for many a year, came under the influence of the English provides an interesting background to a relatively unexplored subject.

At the fall of Manila, the sultan was supposed to have been

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1 Other disturbances in various parts of the islands were unleashed by the successful English invasion of Manila. In Cagayan, in north-eastern Luzon, the masses declared themselves free of all tribute to their Spanish masters in February, 1763. The leaders were said to have been in touch with and instigated by Diego Silang. The revolt, however, was quickly put down, with the arrival of Anda's lieutenant-general for the disaffected provinces of Cagayan, Ilocos and Pangasinan, Don Manuel Arza. Leguna, Batangas, Tondo, Cavite, Camarinas, Zamboanga, Samar, Panay, Cebu were all caught in the wave of anarchy which the effacement of Spanish authority at its very capital had precipitated. Read the accounts in Martinez de Zuniga, Mas, Montero y Vidal and Ayerbe.

2 The Spaniards used the word "Moro" to refer to anyone touched by Islam, although in the case of the Malays then, most of them were mere idolaters. Through the years, in the Philippines, the term became one of opprobrium, denoting all those who visited the Spanish islands to maraud. By mid-nineteenth century, the Moros appeared to be mostly those from the Sulu archipelago, the last great ones of their kind.
See D.Jose Garcia de Arboleya, Historia del Archipielago y Sultania de Jolo, Habana, 1851, p. 16; General Suarez, 1836, quoted in Fr. Francisco Gainza, Memoria y antecedentes sobre las espediciones de Balanguigui y Jolo, Manila, 1851, pp. 82, 130.

conducted to Pampanga by an order from Anda.[1] Somehow he never got there, having met with "an accident" in the village of Pasig, where the English overtook him and made him a prisoner, along with his entire household. This was Anda's version. According to the English, the sultan, "tired of Spanish controul threw himself with his whole family under their protection" upon the attack on Pasig. Here he took refuge in the church according to a plan he had previously made with the English before the detachment marched into the village.[2] He was taken back to Manila, where he stayed on a monthly allowance[3] from the English until the latter returned him to Sulu. As compensation for all this trouble, he ceded a part of his dominions to the English, where they could establish their settlement near the spice-producing Moluccas.[4]

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1 "Synopsis of Communications to Carlos III; Simon de Anda y Salazar, Manila, June-July 1764. Blair and Robertson, op. cit., V. 49.

2 Manila General Letter to Fort St. George, 25 Dec. 1762. Madras Military Cons. (24 Feb. 1763), V. 49, f. 82.

3 The Manila Board voted a monthly allowance of $100 for his support. Man. Gen. Letter to Fort St. George, 25 Dec. 1762, Madras Mil. Cons., V. 49, f. 82. Monthly stipends were also paid to the Sulu and Mindanao ambassadors who were in Manila at the time of the invasion. Man. Cons., (13 Jan. 1762), V. 6, p. 13.

4 The English made a somewhat foolhardy attempt to unite military forces with marauding Mohammedan Malays in order to chasten Anda. These people from the south had little love for the Spaniards and were quick to take advantage of the collapse of Spanish power in the Philippine islands. In January 1764, it was reported that a number of them had landed at Camarines and were "committing great outrages there." (Ibid., V. 9, p.2). Later in the same month, a body disembarked at Tayabas. At the time, the Manila Board was having difficulties with Anda, who refused to cease hostilities unless on his own terms. They then thought of making a diversion

by inviting the "Moors" to come to Manila and join an attack on Anda. The Speedwell under William Goodlad was despatched thither on 30th January, with 1,000 dollars to distribute among them on "their arrival in Manila Bay with a good supply of arms, etc." He also bore a letter of the Sulu Sultan to their chiefs. (Instructions to Goodlad, ibid., p. 15-16). The Speedwell was not heard of again in Manila. (Postscript to letter from Stevenson and Jourdan, 16 April 1764, Madras Mil. Cons,, V. 51, f. 747-8). On 22nd March of the same year, she was reported to have arrived in Madras. What happened was that while going round Luzon, she was "drove off the coast by a hard gale of wind, and not being able to regain it, was obliged for want of water and provisions to bear away for Malacca." (Madras Mil. and Secret Cons., V. 51 A, f. 203).

CHAPTER V

The Rule of the East India Company in Occupied Philippines

PART II

Since the abortive attempt to draw out and break the backbone of the Spanish force in Bulacan province, the military situation had almost completely absorbed the attention and energies of the English East India Company's government at Manila. It was apparent that the enemy's design was to block all land approaches to Manila with the hope of forcing the English out through starvation.[1] It would appear also that the latter's resources were not equal to their military ambitions. Both Draper and Cornish were satisfied with merely maintaining what had been taken during the invasion. The latter particularly opposed making any further conquests, and insisted that the invasion had been intended to open up commerce with the Filipinos and to increase the trade with China.[2] Others

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1 Anda's strategy consisted essentially of preventing supplies from reaching the enemy ensconced in Manila, with the ultimate objective of starving them out and compelling them to withdraw. Recognizing the limitations of a mixed undisciplined host which made up his army and which necessity placed under his command, he avoided being drawn into a large-scale battle with the English. He had his troops constantly on the move, appearing at several points at once, thereby confounding the English who were hard put to locate the main body of his army. Indeed, throughout the war, he kept up this game of diverting the enemy from his base of operations, of leading them on false trails through inhospitable parts of the country, and then hieing off when they got close. Examples are his manœuvres at Maysilo, Guadalupe and San Nicolas, Lipa and Malinta. Man. Cons., V. 2 and 5, passim.

2 Vide Cornish's letter to Drake and Council, on the Norfolk, off Cavite, 17 Feb. 1763. Ibid., V. 5, f. 53-4.

of the military establishment shared this view,[1] which was in contrast to that which appears to have been pursued by the Company's officials. The latter, whose concern should have been primarily the promotion of trade, could be seen instead mapping out and launching campaigns into the provinces.

The truth was that in their weak military state, the Company's servants could not effectively carry out their mandate. Peace which was necessary for trade could not be imposed against the military superiority of the other side. Equally vital was industry, and in the islands this was as yet rudimentary. Internal commerce was almost negligible, and only the Chinese traded substantially with the English at Manila. The Manila Council tried to let out the confiscated property of the Augustinians, but none outside of the Chinese would accept tenancies.[2] Under the circumstances, it was impossible to collect revenue through the customary channels, as in the Indian settlements. Thus the English resorted to old Spanish practices. They re-established the wine, betel, and pork monopolies and awarded them to Chinese.[3] The Chinese taxes,

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1 Letter from Capt. Bonjour, Bulacan, 4 Feb., ibid., p. 41.

2 Vide, Cons. of 11 March 1763. Ibid., V. 6, p. 49. The Augustinian estates "were offered several times to different persons to rent but no one was willing to take charge on reasonable terms". They were then to be entrusted to the Brother Hospitalarians of St. John of God who were to receive one-fourth of the revenues. At the Consultation of 5th May following (ibid., p. 96), it was reported that the same order refused to take charge of the Augustinian sugar and other farms. Anda's expostulations must have made an impression.

3 At the consultation of 14 Feb. it was resolved to put up a public advertisement announcing that the Manila Government would receive proposals "for renting the arrack and betel farms for the term of

which were reimposed despite promising this people exemption from any levy for three years, were also farmed out.[1] So also were the making of plowshares, the keeping of gambling houses, and the retail of spirits.[2] All these, however, were used as instruments of extortion by the Company's officials and proved to be of very little profit to the Company itself.[3]

The Chinese traders from China, who were expected to flock to Manila after hearing of the successful invasion, instead came in a

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one year in the same manner as under the Spanish government," and that they would be let to the highest bidder. Ibid., V. 6, p. 31. On the 22nd, one Miguel Orquisong gave in his bid for 14,000 dollars, "but considering the great expense that the Honorable Company has in this place, thought proper to offer 2,500 more." Cons. of 4 March, ibid., p. 38.

1 Under the Spanish Government, a capitation tax of 6 reals and 3 barillas half yearly was paid by every Chinese for the support of a hospital. Part was appropriated to private interest such as the gratuity paid to the "corregidor" for his protection and as treasurer. The tax was resumed by the British Government. Soon after, another tax of 4 rupees per quarter was laid on each Chinese which was to have been rented for 5,000 or 6,000 dollars per annum, and the person who was to have had this farm gave Drake a gold snuff box on making the agreement. This tax was formerly levied and clandestinely applied to the Spanish governor's use. On Cornish's complaint, the taxation was withdrawn. Drake then pressed the Chinese captain and the arrack farmer for a sum under the name of a voluntary donation. Five thousand dollars was promised of which 2,000 was actually paid to Drake. Ibid., f. 785. Cf. Letter from Stevenson and Jourdan, loc. cit.; Letter from the committee inquiring into Chinese grievances, 13 Dec. 1763, Man. Cons., V. 6, p. 248-9.

2 The last two caused serious altercations between the King's commanders who objected to them on moral grounds and the Company's servants who looked upon them as a sure source of revenue, presumably in view of the Malay susceptibilities. The moral consequences of these farms were particularly felt in Cavite.

3 Gov. Drake's letter to Smith and Brooke, 16 May 1763, laid before the Council of 20 May. Ibid., 108-9.

trickle - only four small "champanes"[1] up to May 1763. To encourage them, the customs duties which were collected at Madras were not imposed on them until after 1 March 1763.[2] But the Chinese who came after this time refused to unload where the collector of customs could supervise them more closely, evidently to avoid the full imposition.[3]

Silver, which it was hoped would be obtained in abundance as a result of the capture of Manila to help finance the Company's growing China trade, was hard to come by. The biggest supply of silver for the city was that which annually came on the galleon, and this had escaped. Indeed the wealth of the colony consisted mainly of the regulated exchange trade with Acapulco.[4] After contributing to the "ransom" of Manila and losing the outgoing galleon, the Spanish colony would have suffered complete economic ruin if the incoming galleon had not been saved from falling into the hands of the enemy.

The Manila Board was compelled, as a matter of fact, to draw

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1 Or "Sampans" among English speakers. These were small boats similar to tenders.

2 A customs duty of 5 per cent was to be paid on all foreign goods imported from China, etc., "provisions of all kinds excepted," to be collected in the same manner as at Madras, Man. Gen. Letter to Fort St. George, 2 March 1763, loc. cit. Also Man. Cons., (14 Feb. 1763), V. 6, p. 31.

3 This occasioned a dispute between the customs official and Gov. Drake, who allowed the Chinese to unload in San Fernando instead of the Parian. Smith, the sea customer, resigned, and Brooke was appointed in his place, but the latter refused. The charge devolved on Henry Parsons. Ibid., passim.

4 In 1593 the value of the annual cargo to be embarked at Manila was fixed at 250,000 pesos. In 1702 this was raised to 300,000, in 1734 to 500,000, and in 1776 to 750,000. The return value from Mexico, on the other hand, was always fixed at double the outgoing permit. See William L. Schurz, The Manila Galleon, N.Y., 1959, Chap. 4.

heavily on the China investment subscribed in India[1] and to borrow from private merchants at a somewhat unfavorable exchange.[2] The conquest of Manila benefitted the captors and lined the private pockets of individuals, while the share of the Company in the Manila ransom amounted to little after splitting the collection threeways and fell far short of the expenses.[3]

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1 The Company's administration at Manila was directed to send to Canton whatever should accrue and could be spared from that place. Fort St. George Letter to the Company, 9 Nov. 1762, Abstracts Fort St. George Letters Received, No. 1. Of the China consignment brought on the expedition, one lack of rupees was detained for the expenses at Manila. Manila Gen. Letter to Court of Directors, 10 Nov. 1762, Man. Cons., V. 3, p. 3. On 25 June 1763, Fort St. George sent a lack of rupees to Manila after receiving a request for 6 lacks (Man. letter of 1 March 1763). Madras Mil. Cons., V. 49, f. 30. On 21st Sept., the Manila Govt. wrote that they were constrained to withdraw 252 Rupees of the Houghton's silver for China, besides coining the plate intended for the latter (7,000 in May last). Man. Gen. Letter to the Court of Directors, 21 Sept. 1763, Abs. Fort St. George Letters Recd., No. 1. On the same day, 21 Sept., 12 chests of treasure (no less than 50,000 Rupees) were detained from the Hawke, also destined for China. Man. Cons., V. 6, p. 192.

2 On 1 March 1763, the Manila administration wrote that they were obliged to take up dollars for bills on the Company at the rate of 15½ dollars per 10 Pagodas, as it was not possible to get them at the exchange prescribed by Fort St. George, e.g. 16 dollars per 10 Pagodas. Man. Gen. Letter of the same date, loc. cit. On 27th June they took out a loan from Francis Barnewall, a veteran merchant in those parts, for 12,000 dollars. Man. Cons., V. 6, p. 143.

3 The money received by the English from the conquest of Manila amounted to approximately 700,000 Spanish dollars. This was distributed into three equal parts: among the King's armed and naval forces which went on the expedition, and the Company, or about 230,000 each part. See the breakdown into exact figures of the total amount collected in The Scots Magazine, 1764, p. 455-6. Another source gives £141,120 or 564,480 Spanish dollars (at 5 shillings to the dollar, the current exchange then) as the share which went to just the Admiral, the General, and the Commodore. This probably included the prizes taken at sea, like the galleon Santissima Trinidad and its cargo, which the Company was not entitled to share. Beatson, op. cit., V. 3, p. 360. From the accounts received from Fort St. George on the "State of the Expedition to Manila," dated 5 June 1766, the net expense incurred by the Company reached £166,236 or 664,944 Spanish dollars (£58,068 received from customs, and dividends on the capture, or 232,272 Spanish dollars, out of a total expenditure of £224,305 or 897,220 Spanish dollars). H.M.S., V.98, f. 179.

In 1780, when the expedition against South America by way of India was under consideration, the Company asked the Government to procure payment of £139,877 as debt owed to them by the Spaniards from the capitulation of Manila.[1]

The worst disappointment of the Manila enterprise, really the blot on this short interlude in the islands, was the incessant quarrels among the English themselves, especially between the King's officers and the Company's agents. The crux of all disputes was one of limits and precedence between civil and military authority. The absence of specific instructions or orders from either the British King or the Company, the source of that authority, gave the protagonists plenty of room for dispute and recource to dubious precedents.

Most of the rows involved Drake, the ill-starred governor appointed from the Fort St. George civil list to head the Company's government in the temporary possession, who was perhaps as much maligned as he was culpable. He disputed against Admiral Cornish over the latter's proposal to plunder Manila after the capitulation, to which we have already referred earlier in this paper, also over the burning of Cavite Viejo.[2] Cornish in turn took him to task for keeping the redundant post at Pasig and sending the needless expedition to Bulacan. They also differed over the amount of naval force which should be retained in the islands after the squadron left for Madras.[3] With Captain Brereton, Cornish's successor on the service

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1 See chapter on "Further British Projects".

2 Vide Letter from the Jesuit Superior, Fr. Pazuengos, 7 Feb. 1763 and another from the Council expostulating with Cornish for alleged excesses committed by his marines. Man. Cons., V. 6, p. 25-8.

3 Cornish's letter to the Manila Government, Norfolk, off Cavite, 17 Feb. 1763. Ibid., V. 5, p. 53-5.

in the islands, Drake duelled verbally over the licensing of arrack and games in Cavite,[1] on the manner of dealing with "rebels" against the British authority, the expedition to Laguna, Anda's proscription, the treatment of Chinese, and disposition of confiscated rebel effects. He and the Manila Council clashed with Captain Backhouse on military strategy, as we have seen. The latter became the Commander-in-Chief of the King's armed forces in the islands, following the indictment of Major Fell who had himself crossed swords with Drake. Backhouse further got into a personal quarrel with Drake over the right of trial and custody of accused prisoners. This was the most grievous bone of contention between the two sides.

The most serious defect in the organization of the Company's government in Manila was the absence of a fiat for the exercise of judicial authority. During the first month of military pacification, many natives from the Spanish side were seized for attacking and murdering English troops and were summarily executed as a military expedient. The Manila Government were aware that they were not vested with such authority, yet they could neither send the accused to Madras, "for the very intent of punishment must be destroyed" thereby, nor deliver them over to military law, since Manila as one of the Company's settlements fell within the jurisdiction of the civil courts constituted by the Royal Charter.[2]

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1 See letters exchanged on the subject from 16 May to 20 June 1763. Ibid., V. 6, passim.

2 Manila Consultation, 22 Nov. 1762, H.M.S., V. 77, f.91.

Backhouse seemed to have conceded the latter point while he was setting up the post of Pasig. He asked the Manila Government on various occasions for advice on the disposition of prisoners not taken at the commission of the crime, or otherwise not deserving the capital punishment.[1] Even after he had caught and hanged a commissary of the Spanish commander, Busto, he wrote to the Manila Board, hoping that the latter would have no objection to his "hanging this villain and every other commissary that (he) can catch".[2] The Board's reply was that all crimes committed in his post should be punished on the spot.[3]

In Manila, when Villacorta was caught sending a secret message to Anda, Major Fell demanded custody of him for trial at a military court. The Company's government at first objected on the ground that to deliver up the accused to martial law "might be construed as giving up part of (their) Honorable Masters' right".[4] In the end, however, they yielded, and the Spanish oidor was tried, found guilty, and condemned to die according to military law.

But as the petitions to Governor Drake from the Chinese for redress of various grievances increased, and as a number of prisoners remained in

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1 Vide letter dated Pasig, 28 Nov., Man. Cons., V. 2, p. 7. ditto, 4 Dec., ibid., p. 10.

2 Ditto, 10 July, ibid., V. 5, p. 158. Another letter of Backhouse, 26 July, asks whether "the commissaries the country is pestered with," should be regarded as "troops of His Catholic Majesty," or as "banditti and outlaws to the King of Great Britain".

3 Letter dated 14 July, ibid., p. 159.

4 Fell's letter, 18 March, ibid., V. 6, p. 54-5.

confinement for some time without being brought to trial, the government at Manila decided to have at least three of Council meet every Wednesday to arbitrate all cases above 100 dollars, besides forming a court of inquiry to probe into the validity of charges exhibited against prisoners and to report accordingly to the Governor.[1]

In a Court of Inquiry held on 25th January 1764, and presided over by Captain Sleigh, several persons were found guilty of capital crimes and ordered to be confined. Drake, who claimed the ultimate authority of either dismissing a case or passing a sentence after a review of the court's proceedings, released the prisoners. Backhouse made a strong protest, laying claim to the same power as commander-in-chief of the British King's forces in the islands.[2] By this time relations between the King's officers and the Company's agents had reached breaking point.

A most bitter altercation had arisen over Cesar Faillet, a French officer in the Spanish service who had turned collaborator to the English. He became the close confidant and agent of Governor Drake, while he aroused the suspicion and dislike of Admiral Cornish.[3] A letter written by him to Batavia,[4] assailing and vilifying the admiral, was intercepted, and the contents transmitted to Fort St. George and Captain Brereton. The latter demanded charge of him, but the Manila government refused and undertook to

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1 Cons., 8 July, ibid., p. 153.

2 Cons., 27 Jan. 1764, ibid., V. 9, p. 9-11.

3 Vide Letter from Capt. Matthew Horne to Richard Smith, 10 Oct. 1763, loc. cit.

4 Full text of the letter in Madras Mil. Cons. (18 July 1763), V. 49, f. 78-80.

confine the accused themselves.[1] This, added to the other sources of dispute with the Company authorities, led Brereton to relinquish the government of Cavite in August 1763.[2]

In the following September, an order arrived from Fort St. George to turn Faillet over to Brereton.[3] But the former had escaped from his confinement at the citadel, setting off the most petty quarrel, particularly between the King's officers and Drake, over the manner of delivering him up in accordance with the order from Madras.[4] Major Fell, who was deputed by Brereton to seize Faillet, was accused of inciting the Manila garrison to mutiny while fulfilling his charge, arrested, and sent off to Madras for trial. In the proceedings, Captain Sleigh also was arrested and confined for having seized Faillet, under order from his commander Fell, but without authority from Governor Drake. In the end, Brereton got hold of Faillet, confined him on his ship the Falmouth, and later put him on board the Admiral Pocock to be taken to Madras.

Such was the stir that the affair caused, even in England, that the Company had to reassert their prerogative as guaranteed by their Royal Charter, which was that the civil power in all their settlements "shall

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1 Man Cons. (28 June), V. 5, p. 152-4.

2 Ibid., (22 Aug.), p. 181.

3 Ibid., (20 Sept.), p. 199.

4 For detailed accounts of the Faillet's case, vide: Letter from the Deputy Governor and Council at Manila, 24 Feb. 1764 read in Madras Military Cons. (9 July 1764), V. 50, f. 470-6; Letter from Major Robert Edward Fell, Fort St. George, 5 May, to the Earl of Egremont, enclosing a memorial, H.M.S., V. 97, f. 347-53; Letter from Dawsonne Drake, Manila, 1 Feb., to the Earl of Egremont, ibid., f. 231-62; Letter from Capt. Matthew Horne, loc. cit., Man. Cons., V. 4 and 5, passim.

be superior to and command the military," that their governor, by virtue of the commission he held from them, should be considered as commander-in-chief of their forces, with all the powers belonging to a superior commanding officer. He was to enjoy those powers over all the officers in the Company's service even if the latter bore a brevet or commission from the King. Anyone who thus refused to submit to this authority should be dismissed from the Company's service.[1]

To round off Drake's long list of antagonists, there was his own council who disputed with him separately and jointly. We have seen how they urged the Governor to lift the ban on Anda. Smith resigned his post as customs collector because Drake interfered in the case of the Chinese junk merchants unloading in Manila. The first serious difference with the Council as a group arose over a Spanish priest accused of trying to induce British troops to desert. The councillors Parsons and Jourdan claimed the right to be consulted on the manner of dealing with prisoners taken within the city, which Drake punctiliously denied, reserving the power to call them for consultation when he liked. They embarked on a prolonged and elaborate correspondence on the subject which the two council members cut off by announcing that they would bring the matter before the Company. On 11th December 1862, Parsons, Jourdan and Stevenson (the last one a new member of the Council, vice Brooke) addressed a letter to the Governor and the military Council suggesting alternative methods of dealing with Anda. Drake's reply was that it was "a very unprecedented

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1 Extract of a General Letter of the Court of Directors to Fort St. George, 19 Feb. 1766. H.M.S., V. 105, f. 236-7.

step for members of a Board to resolve themselves into a Committee and take the management of affairs into their hands as if a fixt majority".[1]

The point at issue was whether the Governor as a minority could always be overruled by a majority, notwithstanding his executive power. The Company, precisely to guard against autocratic rule in their settlements, created the council type of government. Yet in the name of expediency they had to allow considerable latitude to their chief agents and leave much to their discretion by a loose construction of their orders. Indeed, Drake had the absence of law on his side, and he acted in much the same manner as, say, Governor Pigot would in Madras, whose doings he was very familiar with.

Nothing could be more eloquent of their dissatisfaction with their governor or their jobs than the successive withdrawals of the Council members. Of the four original appointees, none remained after September 1763. Henry Parsons, a factor, and Captain William Stevenson, an officer in the Company's forces, replaced Russell and Johnson.[2] After Smith and Brooke left,[3] ostensibly on leave to go to China, Francis Jourdan, a former writer, took his place in the Council.

By July 1763, the occupants of Manila were in the grip of Anda's

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1 The full correspondence on the subject is found in H.M.S., V.77, f. 285-310.

2 Parsons and Stevenson requested to be admitted into the council vice Russell and Johnson on 3 May 1763. They were admitted on a temporary appointment. Man. Cons., V. 6, p. 103.

3 Smith and Brooke had both requested to proceed to China on leave. Their request was granted on 24 Aug. 1763. Ibid., p. 176.

forces. The latter, joined by Spanish citizens of considerable means and fighting-men from the Filipino and the Santissima Trinidad, and bolstered further by the monetary resources of the incoming galleon, had approached within nine kilometres of the city. Don Pedro Jose de Busto, Anda's second in command, had established his headquarters at Malinta, an Augustinian estate, fortifying the place with breastworks and several cannons.[1] From this base he led and sent forays into the suburbs of Manila which harassed the inhabitants so much that they abandoned their homes. This left the city wide open to the enemy on the north. A strong detachment was thus marched out with Captain Sleigh in command. But hearing that the Spanish force was much greater than his, Sleigh "thought it imprudent to put his party to such risk," exchanged a few shots with the enemy, then returned to Manila.[2]

Apparently Busto also thought that his position was a risky one for he abandoned Malinta and retired to Meycawayan, a little further to the north. Attacks on the suburbs were then resumed, most of them quite daring.[3]

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1 Man. Cons. (27 June 1763), V. 5, p. 152.

2 Father Zuniga wrote that the two opposing sides were separated by the river of Maysilo, but neither dared to cross it. "Both were so prudent that either one remained on its side and spared the blood of its soldiers". He remarked further that the Spaniards were somewhat unprepared for the attack and that if the English had crossed the river in the morning they could have routed Busto's fledgling troops. Estadismo, etc., I, p. 342-7.

3 The English sent a vessel to Batangas for provisions which was chased away by Anda's followers. The same thing befell the English boats despatched down the river Pasig to the Laguna. Even bolder was the taking of an English galley at the very gate of Manila, at the Almacenes. Ibid., p. 353-4. Cf. the Admiral Pocock's trip to Orani, narrated below.

Thus Drake recommended dislodging the enemy from their new position. But Major Fell opined that "it would be running a great risk to no purpose". Instead three nearby outposts were occupied, e.g., the Jesuits' Garden, Tondo, and Quiapo.

On 22nd July, a ship arrived from Fort St. George bringing the royal proclamation for a suspension of arms.[1] A copy was sent to Archbishop Rojo who in turn addressed it to Anda.[2] The latter rejected the overture and warned that if the English wanted a cessation of hostilities they must deal with him directly, and give proper security for its observance.[3] It was then decided to notify Anda of the cessation by public letter, but none of the Spaniards in the city would deliver it to him.[4] Finally, Father Juan de la Concepcion, head of the Recollect Order, offered to convey the letter.[5] At Anda's camp, he received a rebuff from Villacorta,[6] who demanded an acknowledgement of Anda as Governor and Captain General of the islands in the superscription to the letters addressed to him.

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1 Letter from Fort St. George, 24 June, in Madras Mil. Cons., V. 49, f. 29-31.

2 Rojo's letter, 24 July, ibid., p. 167.

3 Vide letter received by Rojo from Anda dated Bacolor, 29 July. Ibid., p. 175-7.

4 Cons., 18 Aug., ibid., p. 179-80.

5 "Duplicate Copy of instructions to Padre Juan de la Concepcion enclosing Duplicate Copy of a paper for his guidance to be interchangeably signed by him and Mr. Anda"; also "Duplicate Copy of a letter to Mr. Anda, per Fray Juan," (all delivered to Concepcion on 23 August) in H.M.S., V. 77, f. 215-16, 223-5.

6 "Duplicate Copy of a letter from Padre Juan de la Concepcion, Manilha, 1 Sept. 1763." Ibid., f. 227-30.

Nevertheless, Concepcion returned to Manila supposedly with authority from Anda and "the chiefs of the faction" to present their proposals.

In the meantime, on 26th August, the preliminary articles of peace were received in Manila.[1] The British Council then asked Anda for a pass for two English officers, one of whom was Major Fell, who were to bring the preliminaries to Anda. However, they changed their minds and sent instead Father Concepcion with their answers to the Spanish proposals. Villacorta's reaction was one of disgust, peppered with a strong admonition to Concepcion for his presumptuousness and his Order's obvious "good understanding with the British Governor".[2]

On 19th October, Manila received advice of the signing of the Definitive Treaty between France, England, and Spain.[3] While waiting for orders to return the conquests to the Spaniards, the English were looking around for provisions, the supply of which had become extremely precarious. Plans were made to send a Company ship to Lubang, an island well off Manila Bay.[4] Finding this hazardous, they sent the Admiral Pocock, four

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1 See letter from Fort St. George, 24 June 1763, Madras Mil. Cons., V. 49, f. 29-31. Read in consultation at Manila, 26 Aug., Man. Cons., V. 5, p. 189.

2 It appears that Concepcion did not receive authority from Anda to negotiate a cessation of arms with the English, as Villacorta demurred to the sending of the articles in the name of Anda rather than in those of the British Governor and Council. Vide, letter from Villacorta to Concepcion read in consultation of 14 Sept., ibid., p. 194-5.

3 Fort St. George letter per Admiral Pocock, 16 Aug. Madras Mil. Cons., V. 49, f. 122-3. Read in consultation of 19 Oct., Man. Cons., V. 5, p. 207.

4 Cons., 11 Nov., ibid., p. 213.

champanes, a number of small cascos, and all the Company's vessels to lay off Orani and other villages in Manila Bay.[1] The Pocock returned with only some "cavanes"[2] of unhusked rice, recounting that a large body of enemy troops cut them off from further supply.[3]

In December, Brereton suggested that all the Spaniards in Sta. Cruz should be called into Manila, in order that the guns of the city could keep that suburb clear of the enemy "by firing upon every part of it by day and night".[4] Backhouse, on the other hand, recommended an all-out preparation, both offensive and defensive. As soon as the season allowed it, parties should be sent "to a considerable distance" to procure grain and provisions, attended by field artillery, etc.[5]

In the same month, the Manila government made another effort to reach an agreement with Anda. A letter was sent, addressing him as "Commander-in-Chief of the forces in the provinces" and enclosing the preliminary articles.[6] On 6th January following, proposals arrived from Anda under a flag of truce, together with the letter, unopened, which had

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1 Cons., 13 Nov., ibid.

2 The cavan "is a unit of capacity used for measuring grain in the Philippines. It holds 25 gantas of rice or 1 picul (equivalent to 100 catlies at Canton, or 132-137½ lbs.) See "Glossaries," H.M.S., V. 68; Rafael Diaz Arenas, Memoria sobre el comercio y la navegacion de las islas Filipinas, Cadiz, 1838.

3 Diary, 18 Nov., Man. Cons., V. 5, p. 225.

4 Letter from Brereton to the Council read in Cons., 19 Dec., ibid., p. 230.

5 Backhouse's letter to Council, 29 Dec., ibid., p. 236.

6 Cons., 19 Dec., ibid., p.230-2.

been sent to him. He asked that all edicts published against him should be withdrawn, that he should be acknowledged with the title of "President, Governor and Captain-General of the Philippine Islands," and that all documents of the suspension of arms to be sent to him should be signed by the British Governor and Council, Captain Backhouse as Commandant of their troops, and the Commandant of the Marine.[1]

On 19th January, the ban against him was lifted and it was agreed to recognize him with the title of General and Commander-in-Chief of His Catholic Majesty's troops in the provinces.[2] For reply Anda wrote the English that his government would agree to a cessation of hostilities as soon as they had set the date for their evacuation of the conquests, which should not be later than February next; otherwise he would continue the war.[3]

The English retorted that they had not received any order yet for the restitution of the conquered places, gave the Spaniards seven days to answer, and prepared for the worst. Brereton and Backhouse were both consulted.[4] The former urged the burning of Manila and withdrawal to Cavite, which idea repelled the Company's officers.[5] Backhouse, on the other hand, recommended an expedition either to Bacolor or to the Laguna.[6]

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1 Ibid., V. 9, p.1.

2 Text of the proclamation in ibid., p. 4.

3 Anda's "declaration," dated Bacolor, 23 Jan. 1764. Ibid., p. 12.

4 Cons., 27 Jan., ibid., p. 13.

5 Brereton's letter, 28 Jan., ibid., p. 16-17.

6 Backhouse's letter, 18 Feb., ibid., p. 28-9.

But the Board was convinced that the best way to bring the enemy to terms was to dislodge them from Polo, their new base following their removal from Meycawayan. Backhouse, who was to head the campaign, however, posed many difficulties and the plan was given up. Then the Manila Board thought of taking a post at Tambobong, to intercept all provisions reaching Polo.[1] Backhouse again objected and the plan was also shelved.[2]

Shortly afterwards, the Manila government received a letter from Anda saying that he had given orders for a cessation of arms and inviting them to send representatives to meet with his own to settle the terms.[3] Stevenson and Jourdan were chosen to represent the English, while Don Francisco Xavier Salgado and Don Mariano Tobias were to compose the Spanish delegation.[4] The negotiations proceeded rather tortuously. Neither side would initiate proposals at first. The English deputies found that their Spanish counterparts had full powers to conclude a treaty, which they did not have.

The first British proposals turned principally on the inclusion of

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1 Cons., 28 Feb., ibid., p. 32.

2 Backhouse later claimed that if he followed "the advice of the Governor and Council of Manila in military affairs and put in execution their plans of operations since 6th Oct. 1763, the result and consequence... must have been a rupture between the courts of Great Britain and Spain, 100,000 dollars' expense to the Company, and the destruction of most of the troops." Letter to Fort St. George, 17 March, Madras Mil. Cons. (26 June), V. 50. f. 417.

3 Read in Cons., 1 March, Man. Cons., V. 9A, p. 34-5.

4 Letter from Anda, Polo, 10 March, ibid., p. 37.

"their allies and dependents," meaning the Chinese and Suluans, in the truce, and the delimitation of the English outposts. The Spanish proposals were more elaborate and extensive, covering, among other things, the route which English ships should take on the way to China and the right of free commerce to Spanish and foreign vessels at certain points. The principal point of dispute was the extent of territorial jurisdiction to be allowed to the English. Later British proposals stressed the necessity of maintaing a free access to provisions from provinces for the city.[1]

On 8th March, the Company ship Revenge[2] arrived in Manila bringing the long-awaited Definitive Treaty ending the Seven Years' War and the orders for restoring Manila and any other conquests to the Spaniards.[3] The Tambobong conference, with all the obstacles to a mutual suspension of arms between actual combatants, was thus brought to an end. But among the English, the arrival of the final notices only posed more serious difficulties, the culmination of a long and disastrous record of petty disputes.

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1 Details of the transactions at Tambobong in ibid., p. 41, et. seq.

2 The Revenge was despatched from Madras in August 1763. Thus the voyage took more than six months, which normally was made in less than three. Captain Horne writes about the delay in the following manner: "The Panther and the Revenge ... instead of pursuing their instructions had been making a trading voyage to Malacca, Cudda, and Batavia, where Panther pretended she had lost her passage and proceeded no further; Revenge after taking in a private cargo pursued her voyage by Pitt's passage and at length arrived..." Letter to Richard Smith, 20 Oct. 1764, loc. cit.

3 Fort St. George Letter to Manila, 21 August 1763. Madras Mil. Cons., (22 Aug.), V. 49, f. 132-4.

The question now revolved on who should deliver the conquests to the Spanish authority. Brereton and Backhouse claimed that the right belonged to them, referring to the orders given by the Secretary of State through Admiral Cornish, which directed that they should make the restitution of any conquests remaining in their command.[1] In reply, the Company administration cited their orders from Madras which repeated the Company's instructions that although they understood the King's commanders should concern themselves with restoring such places only as may be in their possession, they would have their respective presidents and councils "take the most prudent measures in concert with His Majesty's forces to carry into execution in the most effectual manner the Treaty of Peace".[2]

It should be remembered that Brereton relinquished the government of Cavite in August of the previous year. As to Manila, there was no doubt that the Company's government was in charge at the arrival of the Treaty. Confronted with the implied rights of the other side the two commanders seemed to balk a bit in the pursuit of their exaggerated claims. Then the Spanish ship, Santa Rosa, arrived from Acapulco, bringing the new governor of the islands and a packet from the British King supposedly for his commanders-in-chief.[3] Although the papers contained in the packet

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1 Vide, Copy of a letter from the Earl of Egremont, one of His Majesty's Principal Secretaries of State, to Vice Admiral Cornish, dated 21 March 1763. Man. Cons., V. 4, p. 2.

2 Extract from the 10th Paragraph of the Company's General Letter of 31 March 1763. Ibid., p. 3.

3 Charles III, by royal order of 29 June 1763, entrusts the Marquis of Cruillas with appointing a person to carry "los pliegos del real servicio para la evacuacion de (Manila)". The marquis' choice fell on D. Alfonso Rodriguez de Ovalle. The latter proceeded to Acapulco

were the same as those received from Madras, the fact that the newly-arrived Governor Francisco de la Torre delivered them into the commanders' hands confirmed the latter's belief that the right to arrange the restitution devolved on them alone.[1] The debate on the subject was resumed,[2] this time accompanied by imprudent action.

On 20th March Backhouse gave orders for the return of the Pasig

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where he embarked on the Santa Rosa on 23 December. The frigate anchored in Manila Bay on 15 March 1764 (Spanish date), a voyage of 83 days. Prologue to Sitio y Conquista de Manila, Zaragoza, 1897, by the Marquis de Ayerbe, a descendant of the Marques de Cruillas.

1 The Spaniards appear to have played the English against each other. Nicholas de Echauz Beaumont, one of the Spanish deputies on the arrangements for receiving the conquests, wrote to Backhouse that the Spaniards would deal with him alone, knowing his authority and remembering his disinterested behavior both at Manila and Pasig, which was "very different from that of the Governor and Council". Letter dated Sta. Cruz, 20 March 1764, reproduced in Backhouse's "Narrative of Proceedings at Manila upon the Island of Luconia from the Arrival of the Definitive Treaty of Peace till the Departure of His Majesty's troops and Ships from Thence," written in Batavia, 6 Sept. 1764. H.M.S., V. 98, f. 161.

Brereton made an assertion that in a "personal conference" he had with de la Torre on 23rd March the latter said that he "expected the conquests to be delivered up to him from the persons the British King had authorized ..., and from no others, nor would he have any negotiations with the Company's servants as he had delivered the King's order to (Brereton) and the Commandant of the troops". The Council's reply was that "the Spanish governor in a letter addressed to them jointly expresses himself differently". In fact a letter written by the four Spanish deputies (Beaumont, Salgado, Tobias and Raymundo Espanol), desiring the evacuation of Manila and Cavite, was addressed "To the Governor and Council and the British Chiefs by Sea and Land," (Sta. Cruz, 27 March). Man. Cons., V. 9, passim.

2 Vide letters exchanged on 24-27 March in H.M.S., V. 98, f. 161-3 and Man. Cons., V. 9, p. 75-82.

post to the Spaniards.[1] On the 25th he was asked by the Board to show His Majesty's Sign Manual which he had claimed to be the basis of his assumed authority. When he refused, he was ordered under arrest and confined in the Citadel, while Captain Sleigh was appointed to take his place.[2]

Meanwhile Brereton was busy piling up complaints against Drake.[3] Some of them were of scandalous proportions, and to avoid further aspersions reflecting on the name of the Company, the Council prevailed on Drake to relinquish his post to Alexander Dalrymple and embark on one of the Company ships.[4] Captain Sleigh then released Backhouse,[5] and the latter proceeded to withdraw the fort-in-guard of Manila and put himself in command of the city. In a last attempt to preserve their authority, the Company's men sent Captain Stevenson to Cavite to assume the governorship there and take charge of its restitution. On the next day, the 30th, they went on board the Revenge, leaving Manila to their English protagonists.[6]

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1 Cons., 21 March, ibid., p. 71.

2 Cons., 25 March, ibid., p. 77-8

3 These complaints, mostly of extortion, were read in Cons. of 28 March, ibid., p. 83-9.

4 Drake resigned on the 28th and embarked on the Admiral Pocock on the 29th March. Ibid., V. 10, p. 1-2, 5.

5 Dalrymple and Council (Stevenson, Jourdan and Parsons) tried to bring Sleigh into line by depriving him of his command but they were completely ignored. Ibid., p. 5-6.

6 Ibid., p. 6-8.

On the 31st, Backhouse issued his order for the evacuation of Manila to take place on the following day.[1] In the handing-over ceremony Anda fittingly received the keys of the city.[2] Thereafter, the English troops marched out at the Sea Gate and boarded the vessels in the Bay. Meanwhile, Captain Sleigh received orders to take over Cavite and deliver it to the Spaniards.[3] Unable to dislodge Stevenson from there, he also embarked with his detachment on 4th April.[4]

On 11th April Stevenson delivered up Cavite, and then boarded the Revenge. This, with the Ilocos freight ship, sailed for Mariveles where the other vessels of the Company had been lying. On the 16th, the captains of the Revenge, Admiral Pocock, and Ilocos received their sailing orders. They were to return to Madras by the Pitt's Passage, the season being too far gone to go by the usual route, that is, through the Straits of Malacca via the China Sea. But first, they were to touch at Sulu, where Dalrymple had some unfinished business. Then they should make their way between Borneo and Celebes, thence into the Indian Ocean. They were also to keep company with the King's ship, the Falmouth, if she went on the same track.[5]

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1 Reproduced in his "Narrative," loc. cit.

2 On the day of the ceremony, the new governor de la Torre took ill, probably feigned in order to make way for Anda who greatly deserved the honor.

3 Backhouse and Brereton to Sleigh, 2 April; also Sleigh to Dalrymple, 3 April. Man. Cons., V. 10, p. 14-5.

4 Backhouse's "Narrative," loc. cit.

5 Captain Brereton asked that all the ships on the return voyage should be placed under his command, as they "must go on a very dangerous track". He was denied. Vide, Council's letter to Brereton, 29 March; Brereton's reply, 30 March; and Council's letter, 31 March. Ibid., p. 8-10.

On the 17th, the entire British force left Manila Bay, some 1500 troops[1] distributed among the Falmouth, Siam, Revenge, Admiral Pocock, Ilocos, and London,[2] the last one to be left behind in Sulu under Dalrymple's charge. Accompanying the fleet were between 1,000 and 1,200 Chinese on board about ten champanes, destined for either Sulu or the West Coast of Sumatra.[3]

As a consistent finale to an unfortunate and rather ill-conceived enterprise, the return voyage met with all sorts of obstacles. The passage to Sulu was "very long and tedious". In the Straits of Macassar, the Admiral Pocock lost company, and its passengers were not heard of until many months later. At Batavia the Siam was run ashore, being very leaky, while the Falmouth was "in so bad a condition that she couldn't proceed without a thorough repair". Thus at Fort Marlborough, the Princess Augusta and the Admiral Watson had to be taken up to convoy the cargo of the two disabled ships. The Revenge and the Ilocos left Batavia together, but only the former, in fact the only one of the entire fleet,

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1 By the general returns laid before the Board on 10 March, there were "upwards of 1,500 men, exclusive of servants, to be embarked." Ibid., V. 9, p. 53. Cf. Madras Mil Cons., V. 50, f. 518, which gives the exact figure 1,468 from the report of 1 March from Manila.

2 The whole artillery was embarked on the Revenge, the King's Regiment on the Falmouth and Siam, the latter, a Spanish ship, "old Cornish couldn't take," Drake and all the civilians, along with 400 Sepoys on the Admiral Pocock, an Indiaman, the Company's troops and the rest of the Sepoys on the London and Ilocos, the latter, a country ship taken up for accommodations. Matthew Horne to Richard Smith, 20 Oct. 1764, loc. cit.

3 See chapter on Balambangan settlement.

arrived in Madras on 20 September 1764.[1] Although no serious casualties were reported among the returning troops, it was not until 25 May 1765, that Captain Backhouse, with the remainder of the 79th Regiment, was accounted for at Madras.[2] Drake himself did not arrive at the settlement until 11 April 1766, having been to China and Bengal since leaving Manila.[3] As late as November 1767 Sepoys from the expedition were yet to come. They had been left at Sulu by the Admiral Pocock and were reported to have undergone "the greatest hardships".[4]

Thus ended the controversial Manila expedition. In terms of what both the Company and the King's Government had hoped to derive from it, the enterprise was a complete disappointment. So far as the Company was concerned, they had two main objectives in joining the project - first, to enable them to tap a reputedly inexhaustible source of dollars and bullion with which to help finance their growing China trade; and second, to give them a springboard whence to establish a settlement astride the spice-producing area.

For many years a clandestine trade had been going on between Madras

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1 See Horne's letter to Smith, cited above.

2 Stringer Lawrence to the Earl of Halifax, Fort St. George, 13 Oct. 1765. H.M.S., V. 98, f. 155.

3 The delay was perhaps intentional, as he would be confronted with all the complaints and charges laid against him at Manila. He was found guilty of "some" of them, and by order of the Court of Directors, was dismissed from the Company's service. Fort St. George letter to the Company, 23 Jan. 1767; idem, 4 Nov., 1767; idem, 1 Nov. 1768. Abstracts Fort St. George Letters Received, No. 1.

4 Fort St. George letter to Company, 5 Nov. 1767, ibid.

and Manila, through which cargoes of Indian and Chinese goods collected at the former were delivered in exchange for dollars or bullion at the latter. The English administering Fort St. George customarily freighted country ships flying Asian flags, since no European vessel was allowed by the Spaniards to trade at Manila.[1]

Draper said that while preparations for the expedition were underway at Madras, he met with very little cooperation from the Company's servants there, apparently because they had just consigned a cargo valued at £70,000 to Manila and were afraid that their business would suffer from the capture of the city.[2] In fact the trade going on between Manila and Madras had been quite important, as may be gauged from the concern expressed by the Fort St. George Presidency as to the stoppage of the Manila trade in the war of the 1740's.[3]

When the English withdrew in 1764, Quintin Crawford was left in Manila to act as the Company's agent there.[4] They had hopes that the Spaniards would allow the usual yearly shipment from Madras under Asian colors.[5] In 1765 their hopes were justified; their Manila trade which

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1 See chapter on "Manila Trade".

2 W.O. 1/319, f. 405-7.

3 Vide chapter on "Manila Trade".

4 Letter from Parsons, Stevenson and Jourdan to Governor Francisco de la Torre, 28 March 1764, asking permission to leave Crawford as the Company's agent in Manila, ostensibly to take charge of the sick to be left behind and embarked later. Man. Cons., V. 10, p. 4.

5 "The Spanish governor was said to have promised the renewal of commerce under Asiatic colours as formerly and the utmost friendship". Fort St. George Letter to the Court of Directors, 30 Jan. 1765. Abstracts Fort St. George Letters Received, No. 1.

amounted to 220,000 dollars enabled them to furnish silver to China.[1] In the following year, however, their ship was detained, and the captain and supercargoes imprisoned, "though under a Moorish pass".[2] They attributed this to the arrival of a Spanish ship by way of the Cape of Good Hope which obviously had brought fresh orders from the Court of Madrid.[3] On 11th May 1768, Fort St. George wrote to the Company that the Manila trade was discontinued, having been declared illegal by the Spanish government.[4]

As to the proposed settlement in the south, the Company's hopes were also frustrated. Draper and Cornish, disregarding their instructions, left the islands without attempting to take Mindanao. During their occupation of Manila, the Company's agents sent a mission to Mindanao, headed by Ensign Durand and accompanied by the ambassador of the sultan of the Kingdom from which the whole island took its name.[5] This too failed, as we shall see in a separate chapter. The only tangible legacy which the Company seemed to derive from the Manila expedition was an uncollected debt of £139,877[6] due from the Spanish government by the terms of

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1 Furthermore, British contacts in Manila enabled them to procure silver at an advantageous rate. Fort St. George Letter to the Court of Directors, 18 Oct. 1765, ibid.

2 Idem, 23 Jan. 1767, ibid.

3 See chapter on "Manila Trade".

4 Ibid.

5 See chapter on "Further British Projects".

6 To the Earl of Hillsborough, from William Devaynes and Lawrence Sulivan, East India House, 19 Aug. 1780. H.M.S., V. 146, f. 137.

capitulation signed in Manila in October 1762.

On the part of the King's Government, the taking of Manila scarcely served the purpose for which the expedition was launched, that is, to offset Spanish demands at the peace table. The preliminary articles of peace had been agreed upon before the news of Manila's fall reached Europe. In fact, as one English author laments, by the time Havana fell, which was a month before the invasion of Manila began, the King and his chief minister Lord Bute, "had succeeded in dragging their unwilling country to the brink of a nerveless peace".[1] In the Definitive Treaty of 10 February 1763, the English victories at both Manila and Havana were squandered. The two places were returned without exacting an equivalent price from Spain. The full amount of the "Manila ransom" was never collected. This and other unsettled matters relating to the expedition exacerbated the difficulties between the English and Spanish courts[2] and for some time kept feelings high inside England.[3]

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1 J.S. Corbett, England in the Seven Years' War, II. p. 298.

2 Letters and memorials were exchanged between the English and Spanish Courts relative to the taking of the galleon Santissima Trinidad, the alleged plunder of the Augustinian church and convent at Manila, and the demands of the English Company on the Royal Treasury at Madrid for bills drawn by the Spanish Governor at Manila. Calendar of Home Office Papers of the Reign of George III 1760 (Oct. 25) - 1765, London, 1878, passim.

3 Captains Backhouse and Brereton brought charges of misconduct against the Company's servants at Manila. Brereton speaks of his memorial to the King being suppressed, of transactions at Manila which "would not bear the light nor ought to be known to the public," especially in times of uneasy peace with the powers on the continent, and of "a veil being drawn over those transactions". Ibid. The liveliest of discussions, however, were those which turned on the uncollected Manila ransom, debated to bitter lengths by Draper and Junius. See Gentleman's Magazine, 1764, V. 334, p. 544; London Chronicle, 28 Feb. -

The expedition, nevertheless, had at least two favorable consequences, although the real effects were not felt until much later. It was the instrument by which the deposed sultan of Sulu and his heir were returned to their seat of authority, under circumstances which could not have failed to impress the impressionable Malays of the south.[1] Politically, it bolstered Dalrymple's project for amicable, mutually advantageous relations between the two peoples, by initiating among the Sulus a tradition of partisanship inclined towards the English.[2] This, indeed, proved invaluable for the future, in laying the foundations of British North Borneo and in providing the Sulu hierarchy with what was to them a fair expedient, besieged as they were by the Spaniards and Dutch to the north and south of them and harassed by "imperial" problems of their own involving the Bornean possessions.

One other people with whom the English established a successful and profitable liaison during their occupation of Manila and other places on Luzon island were the Chinese. The latter, an important element in the economic life of the colony, easily identified their interests with those of the conquerors, whose liberal attitudes toward trade distinguished them

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21 March 1765, V. 17, No. 1279; Scots Magazine, 1766, p. 48, 270, 441; Ditto, 1767, p. 549, 605; A Complete Collection of Junius' Letters with those of Sir William Draper, London, 1770.

1 The fleet returning from the Manila expedition stopped at Sulu and consisted of a man-of-war, the Falmouth, two Indiamen, the Revenge and the Admiral Pocock, and three country ships, the London, the Siam and the Ilocos, besides some galleys, and nine or ten champanes carrying the Chinese immigrants. Military Despatch from George Pigot to the Company, 20 Oct. 1764. Dodwell, op. cit., V. 2, p. 397.

2 See chapter on the Balambangan Settlement.

from the other European imperialists. Under the wary and jealous Spanish regime at Manila, the Chinese had had to stand various oppressive impositions; indeed, at the coming of the English, their "maltreatment" under Governor Arandia was still fresh in the mind.

The Chinese were not made liable to the terms of the capitulation, particularly with respect to the payment of the Manila ransom.[1] They were placed in charge of confiscated "rebel" property, granted monopolies, to which we have already referred, and awarded contracts for various jobs, like the demolition of the stone churches outside the city walls.[2] They were taxed only to the extent of their needs within their colony in Manila, called the Parian, and care was taken to look into and redress their grievances.[3]

In return, the Chinese performed various services, military as well as economic. They organized an auxiliary unit to assist in the Bulacan campaign, as we have seen. They served as spies, guides, and sentinels,

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1 Placido Pigolotti, whose ship was seized, along with the cargo, by Admiral Cornish, objected on the ground that the cargo belonged to the merchants of Batavia and should not be made liable to the capitulation, which obviously pertained only to Spanish effects from the exemption of those of the Chinese. Man. Cons., (21 Feb. 1763), V. 6, p. 35.

2 The paymaster presented a bill from a Chinese for destroying the church of Santiago, Cons., 6 June 1763. Ibid., p. 119.

3 Admiral Cornish once protested against the Board's laying a tax on the Chinese, which he alleged to be the "impolitick and interested schemes" of Faillet (letter, 17 Feb. 1763, ibid., V. 5, p. 55). This tax appears to be the lapuatz, a private fund levied by the Chinese themselves for the benefit of their community. The Committee, "appointed to inquire into grievances the Chinese may labor under," adverts that if the "corregidor" of the Parian does not apply the fund to the uses intended, which appears to be the case, then it becomes "an object of government's attention." Letter from the Committee, 13 Dec. 1763, ibid., V. 6, p. 248-9.

performed cavalry duty, and joined sorties into Spanish outposts.[1] Upon them the English at Manila relied mainly for keeping up the flow of goods from the Laguna area and for undertaking functions which the native inhabitants refused for fear of Spanish reprisal.

The English inclination to favor the Chinese in the Philippines stemmed mainly from two motives. They were especially keen on acquiring a good name for the Company at Canton[2] and on drawing more Chinese to trade at Manila. They were also badly in need of Chinese settlers for the West Coast of Sumatra[3] and found the Philippines a good source of Chinese manpower ready and willing to leave for greener pastures. Before the English withdrew from Manila, they obtained a substantial number of Chinese to go to either Sumatra[4] or Sulu.

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1 They performed these services in Pasig, Laguna, Batangas, and the suburbs of Manila. Ibid., V. 2, 5, and 6, passim.

2 Vide, Manila General Letter to the Court of Directors, 10 Nov. 1762. Abstracts Fort St. George Letters Received, No. 1.

3 Letter from John Herbert, Resident at Batavia, 28 May 1763, says that unless the West Coast were supplied with Chinese settlers, the settlements were likely to continue "in a very languid and contracted state". He advises that the sooner the Manila Board could send "a supply of them the better, lest a peace takes place and Manila should be ceded again to the Spaniards". He then adds, "with the assistance of the Chinese, Fort Marlborough is capable to be made a Batavia in a short time". Man. Cons., V. 6, p. 135.

4 The expense of transporting 300 Chinese from Manila to the West Coast was "carried to the head of Fort Marlborough" by Fort St. George in the letter of 14 Oct. 1765 to the Company, Abstracts Fort St. George Letters Received, No. 1. This number was evidently short of expectations. Manila writes - "although a number of them had offered for the West Coast yet when the ships came for them it was with much difficulty and expense that 220 artificers, etc., were prevailed on to proceed and the ships detained eight days for them." Manila Letter, 1 Feb. 1764, ibid. The Committee on grievances reports in December 1763 that the Chinese

In the agreement which the English offered to make with Anda in September 1763 for a suspension of arms, they took pains to include the Chinese and "all other allies or dependents of the British nation" among the subjects of the British King and as such entitled to his protection.[1] At Tambobong, in March 1764, they repeated this point, to which the Spanish deputies in charge of arranging the restitution of the conquests with the English replied that neither the vassals or allies of His Catholic Majesty, evidently referring to the Chinese and the Sultan of Sulu and his people, were to be compelled to become British subjects nor withdrawn from the islands.[2]

From subsequent exchanges between the English Board and the Spanish Authorities, it was evident that the English were bent on taking away with them the Sultan and as many Chinese as possible,[3] while the Spaniards tried hard to stop them.[4] Their correspondence was spiced by denunciations on either side. The Spaniards claimed that the Chinese were encouraged by the English to a "licentious manner"[5] of withdrawing from

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had become less sanguine of leaving for the West Coast because they heard that the English would probably remain another year, and because they had greater hopes of being reconciled with the Spaniards. Man. Cons. (22 Dec. 1763), V. 6, p. 248.

1 H.M.S., V. 77, f. 231-3.

2 Man. Cons., V. 9, p. 41, 43, 46.

3 Orders were given to prepare the Falmouth and Siam and procure champanes for conveying Chinese, 10 March. Ibid., p. 53.

4 The English Board received letters from de la Torre protesting to the removal of the Sultan of Sulu and the Chinese. Read in Cons. of 21 March, ibid., p. 68, 72, 74.

5 De la Torre's letter, 3 April, ibid., V. 10, p. 13.

the Parian and joining the departing forces at Cavite,[1] while the English jusitifed the Chinese for their lack of faith in the word of the Spaniards to grant them amnesty[2] in view of the atrocious acts committed against them by the restored rulers.[3]

When the English finally pulled out of Manila Bay, they had on board their vessels the Sultan of Sulu and his entire retinue, 1,200 Chinese, besides two men[4] whom the Spaniards had demanded for acts of treason and malversation against them.[5]

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1 The Spanish Governor, de la Torre, is reported to be "exasperated to the utmost height of passion against the Company," the latter having left the Spaniards "destitute of every kind of embarkation," which, it was alleged, "were decoyed to Cavite under the pretence of carrying off the troops and then kept to carry off the Chinese". Crawfurd's letter, 10 April, ibid., p. 21.

2 The Spanish deputies "promised in the most solemn manner that the Chinese should have a free pardon". Cons. of 18 March, ibid., p. 69.

3 Backhouse precipitately ordered the withdrawal of the fort-in-guard, thereby exposing the Chinese in the Parian to the "resentment" of the Spaniards. The Chinese were further placed "under great apprehension of the Indians," who were now apparently taking their revenge for past acts committed against them by those people. The Chinese were reported to have lost considerable amount of goods by seizures and a number of lives in Cavite. Ibid., p. 7, 14, 17, 21.

4 One was Cesar Faillet (see chapter on the Invasion), and the other was Don Santiago Orendain. The latter was said to be indebted to the Royal Misericordia, a pious foundation, and to others to the amount of 60,000 dollars. He was also involved in the irregular proceedings in the sale of property of the Augustinian convent. He was previously accused of carrying on a secret correspondence with Anda by the English, and of treacherously abandoning the command of a sally by the Spaniards. Ibid., V. 5, p. 220; V. 6, p. 222-5; v. 10, p.3.

5 As for the Spaniards, the English invasion demonstrated at least three lessons, the vulnerability of their Eastern possession, the danger from the Chinese community residing in the Philippines, and the inadequacy of their law of succession to the highest executive office, the governorship. They were also set astir by the apparently successful contact made by the English with the Sulus, an intrepid

Modammedan group who had successively resisted Spanish attempt at conquest and assimilation. They were said to be "highly jealous of the knowledge that Dalrymple had obtained of those parts;" indeed, they must have realized the fecklessness of their policy towards those "uncommitted" peoples of the south, that in the years to come they were making vigorous efforts, if not to subdue, at least to keep them effectively within their bounds. Above all, the Spaniards thenceforth would lend painstaking attention to the Philippines and give their administrative machinery there a long overdue shot in the arm.. Vide. Extract of representations made by Anda to Carlos III, June and July 1764, in Blair and Robertson, op. cit., V. 49, passim; Crawford's letter to Fort St. George, 1 Oct. 1764, H.M.S., V. 77, f. 314-15.

CHAPTER VI

The First Balambangan Settlement

Balambangan is an island situated off the north-west extremity of Borneo, lying to the west of Banguey Island on the opposite side of a channel from Balabac. It is nearly equal to the island of Hongkong in size, also irregular in outline, lying in a southwest to northeast direction at its length and greatly varying in breadth.

In Dalrymple's conception of a colony, which would serve as the Company's main establishment in the East Indies, an island was "beyond comparison the best adapted... being generally more healthy and temperate than the mainland, and more easily maintained."[1] Balambangan was such an island, besides being "full large enough for the purposes of a capital establishment and so formed that it has almost all the advantages of a smaller one."

Balamgangan's chief selling point, however, was its geographic position. It stood at the only navigable opening through a bar of more than 1,000 miles in length, which was formed by Borneo, Palawan and the Calamianes, and which sealed the Sulu Sea from the South China Sea. Ships coming in from the west were carried by the Westerly Monsoon, but passing north of the Calamianes encountered the Southeast Wind and were thus

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1 These reflections of Dalrymple on the island of Balambangan were fully articulated in one of his more lengthy and numerous discourses on the subject of a British trading center in Malaysia, entitled "An Enquiry into the most Advantageous Place for a Capital to the Oriental Polynesia and Recommending for the Purpose Balambangan." A copy bearing the date February 1764 is found in Borneo Factory Records 1648-1814, No. 58 in Packet IX. Cf. A Plan for Extending the Commerce of this Kingdom, and of the East India Company, London, 1769, also by Dalrymple.

prevented from getting further eastward. If they sailed by the south of Borneo with the Northwest Monsoon, they were met at the Equator by the contrary Northeast Wind. Therefore, a settlement established where they might stay till the next monsoon would be of definite advantage.

The existence of two good natural harbors on the island enhanced its convenience. Both were landlocked and capable of admitting "the largest ships." The North Harbor, with its many banks, could afford shelter to "above a thousand sail of ships in good clay and muddy ground." The landlocked part of the South Harbor, though small, was "steep to the shore so that the largest ship may careen to the land and in the outer part shelter from the Southwesterly winds."

The three districts into which the island naturally divided varied in their topography and might be made to suit the type of settlement sought. The southern one, situated between the South Harbor and the extremity of the island, was chiefly steep hills with some valleys, the high lands appearing to be very favorable to cultivation. At the harbor, where the hills attained the greatest height and steepness, with the intervening lagoon to the south, the land could be rendered inaccessible by a proper disposition of fortifications. It was also the most heavily wooded and the best watered.

The middle district, the largest in extent, was free of the rugged hills of the south; it was rather a mixture of high and low land, the hills sloping gently to the north and south, thus leaving a large plain towards either harbor.

The northern district, which lay on the east side of the North Harbor and was separated from the middle district by a low isthmus at the head of the Harbor, was one expanse of downs, with sparse trees and brushwood, but abounding with water.

For an establishment with a small force, Dalrymple recommended the southern district. The northern one was easily the healthiest in appearance, but for a substantially populated settlement, the middle part was more suitable. There were, besides, sufficient provisions to be obtained in Balambangan and adjoining islands, and for building purposes, those from Balambangan alone were adequate.

Such was the estimation held by Dalrymple of the island of Balambangan as the most suitable site for the proposed British settlement in Malaysia.[1] But his dismissal from the Company's service in effect excluded him from carrying out his own project.[2] The Directors gave the

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1 Other men on the spot confirmed Dalrymple's views with regard to Balambangan's advantages as a trading base. The Chief and Council appointed for the settlement found the climate "very good", the harbor "excellent" and the soil "very far from bad." General letter to the Court of Directors, 12 Feb. 1774, Borneo. Sir John Clerke, commander of one of the King's ships, asked if he had observed any other place "equally eligible for a settlement" as Balambangan, answered in the negative. See "Questions from Governor-General and Council to Sir John Clerke and his answers in Oct. or Nov. 1775." in Sir Edward Hughes' letter of 22 March 1776 to the Earl of Rochford. Home Miscellaneous Series (henceforth to be abbreviated as H.M.S.), V. 165, f. 367-8.

2 On 26 October 1774, Dalrymple made a fresh tender of his services for Balambangan. By the declaration of a majority of the Court of Directors issued on 15 March 1775, Dalrymple's dismissal in 1771 was construed as dismissal from the charge of the expedition to Balambangan only. The new Regulating Act, nevertheless, was made to apply in his case, in accordance to which his restoration to the Company's service should be confirmed by ballot of the Proprietors. On 6th April following, a

command of the ship Britannia,[1] which was to be used in the expedition for founding the settlement, to Captain James Swithin,[2] while the "Chief" of the civil establishment was to be John Herbert, a council member at Fort Marlborough.

The project, which was first brought to the attention of the Company Directors in 1759, was finally launched in June 1771, with the issuing of a most detailed set of instructions affecting all the Indian presidencies. On 4 November 1768, the Company had sent secret orders to their servants on Bombay to despatch a vessel belonging to the Company to take possession of Balambangan, upon finding no other Europeans settled there, and to maintain possession thereof while the Directors formed a plan for a settlement.[3] In the following year, encouraged by the King's approval of their measure to send commissioners to India to integrate their affairs in that area and by the loan of one of His Majesty's ships

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majority of Proprietors returned him to the Company's service, which was later specified as meaning his former rank on the Civil Establishment at Fort St. George. Court Book (Minutes of 10 and 21 March; 6, 7, 10, and 11 April 1775), No. 83, f. 486-548, passim. See also "On the Proposed Restoration of Dalrymple, 1774" in Tracts on Trade, 1769-1792, N. 4.

1 The Britannia, with her stores, was purchased from Thomas Lane for £2,300. H.M.S., 771, f. 321.

2 Court's resolution of 1 May 1771, ibid., f. 381.

3 General letter to Bombay, enclosed in the letter from the Court of Directors to Lord Viscount Weymouth, East India House, 16 Dec. 1768. Ibid., V. 99, f. 259-61.
To carry out the Directors' orders, the Bombay Presidency dispatched to Balambangan, on 13 July 1769, the Success and Viper ketches and Tyger schooner. General letter to the Court, 30 Nov. 1769, ibid., V. 102, f. 337.
On 18 Jan. 1770, Capt. Hall of the Viper returned to Bombay, with the "Instrument" by which he took possession of Balambangan and

of war, the Directors resolved to make a trial of the proposed trading base.[1] On 6 April 1770, they instructed Fort St. George and Bengal to provide an assortment of goods for consignment to the Company's agents at Balambangan.[2] On 12 December 1773, the Britannia anchored at the island after a most dilatory voyage from Madras, lasting fifteen months. A little over a year later, the settlement was taken by a band of Suluans, with an estimated loss in Company property of 900,000 Spanish dollars.

The Instructions of 11 June 1771[3] formed a civil establishment consisting of a Chief and two other persons of Council, assisted by two

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adjacent islands. A letter was subsequently received from Capt. Savage Trotter of the Success, informing of his having accomplished the same service on 12 Sept. 1769. General letter, 6 April 1770, ibid., V. 771, f. 717-8; ditto, 26 April 1770, ibid., f. 735.

Captain Trotter obtained a fresh grant from the Sultan of Sulu, giving the Company "a free and exclusive right and title to the trade and commerce of all his dominions and the liberty of fishing for pearls in any and through every part without any molestation." Trotter claimed that this was an improvement over the grant obtained by Dalrymple in 1764, which, "only secured the Company in the possession of the islands and lands specified therein, without restraining the Sultan from yielding like grants of other parts of his dominions to any European power, which might be greatly detrimental to, if not subversive of all their hopes for the intended settlement at Balambangan." Trotter to the Court, Balambangan, 24 Dec. 1769, enclosing the grant, ibid., V. 102, f. 338-60.

1 General letter to Bengal, 30 June 1769, ibid., V. 771, f. 775-6; ditto to Fort St. George, ditto, Madras Despatches, No. 4.

2 Bengal was directed to send 350 chests of Patna opium, besides 10,000 pieces of various cloth. General letter, 6 April 1770, Borneo Factory Records, 1648-1814. Fort St. George, on the other hand, was to make "a timely provision of piece-goods and other articles suitable to the Eastern trade." Ditto, ditto, H.M.S., V. 771, f. 785-8.

3 Abstract Separate Letter to Bombay relative to Balambangan, sent per Britannia in Personal Records, V. 10, f. 261-3. Also extracts in Borneo.

factors and two writers. The settlement was to be an independent one, subject only to the control of the Court of Directors. Trade there was to be free and open to all nations, except in spices, raw silk and opium, which were reserved to the Company. The force necessary for the protection of the settlement and of the country traders calling there would be supplied by either Bombay or Fort St. George and was to be of such size as would prove effective against an Indian enemy, but not a European power.[1] The settlement should at first be secured by a stockade only. "Upon a proper prospect of success," warehouses and dwellings might be erected on land; until then, the Britannia would serve as a floating factory. In addition to the Britannia, the Balambangan marine establishment should include a small vessel to be used as tender and a Bombay cruiser as guardship.[2] The latter was to be relieved annually, the incoming one to bring Surat and other goods suitable for trade in the area and the outgoing vessel to be loaded with such articles for Surat and Bombay as might be indented for.

To start off the proposed trade in Balambangan, the Britannia

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1 The prescribed force was: 60 seamen and 40 Lascars for the Britannia, or the land service, as the occasion required, and one lieutenant, one ensign, two corporals, 20 European soldiers, and 20 Front Sepoys. Borneo.

2 Dalrymple's plan was to make Britannia a place of retreat in case of danger, as well as a floating factory. The remaining part of the marine was to be a small vessel to proceed from time to time, to and from different parts of India, and two small armed vessels to procure provisions and serve as convoys to the trading vessels of the different islands. "Thoughts on the Present Situation of the Company's Affairs at Balambangan," Borneo. Herbert and Council later wrote to the Court that the Bombay cruiser was unadapted to the settlement and asked instead for two gallivats, to be used for checking pirates, etc. Letter, 5 February 1774, ibid.

carried from London goods to the amount of £20,052 for trial in the settlement. Cash, which would be necessary at the outset to draw strangers to Balambangan by a ready sale of their goods, was ordered to be supplied either from Bombay or Fort St. George, amounting to £5,000. The trade, once opened, must afterwards be carried on chiefly by barter, the three Indian presidencies to provide such goods as the new settlement could dispose of to advantage, the idea of an emporium being foremost in the conception of the settlement. As many ships as possible going to and returning from China should touch at Balambangan to bring further necessaries to the colony and to carry to England goods of the Eastern islands. Moreover, the Chinese junks carrying tea, silk and other saleable merchandize should be encouraged to come, by according them "kind treatment;" and in case a sufficient cargo could be obtained from them, the Chief and Council of Balambangan were authorized to send it directly to England on one of the Company's freighted ships, or by such country vessels as might offer reasonable rates for carriage to Madras, Bombay, or Bengal, and from thence to be consigned home.

About a month before despatching the Orders of 12 June 1771, in order not to lose time in sending for Herbert and Michael Tierney, appointed Chief and Second of Council, respectively, for the new settlement, the Directors sent orders to Fort Marlborough, where the two were employed on the Company's service, for them to go to Madras and there to embark on the expedition.[1] When these orders arrived in Fort Marlborough,

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1 Extract General Letter to Bencoolen, 17 May 1771, H.M.S., V. 771, f. 739-40.

Herbert had left for Madras on account of his health and arrived here in June 1772. The Presidency of Madras gave him his dispatches on 15th August, but he did not embark on his new employment until a month later. Thence he returned to Fort Marlborough. although, as he himself had said, it would have been too late in the season to attempt a passage to Balambangan via Benculen and the Straits of Sunda.[1] His reasons for making this digression were that the season was too far advanced to take the direct course through the Straits of Malacca, his ill health preventing him from embarking on the day of the receipt of his orders, and that it was "absolutely necessary" to fetch Tierney at Fort Marlborough to join the expedition at once. He complained that the servants who had been appointed to go on the voyage, "though in general possessed of ability and capacity, were notwithstanding very inadequate to conduct this undertaking, having never had the least experience of or transactions with Mallays, or any of the Eastern nations."[2] He then made his own choice of the people to accompany him to Balambangan, all of them from the West Coast,[3] a proceeding which was to cause "altercations, suspensions, dismissions, and almost universal confusion ... even before Balambangan

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1 Herbert wrote to Tierney on 4 August 1772 that because the Britannia could not leave Madras till the 15th of that month, he could not possibly direct the commander to attempt the Straits of Sunda, in the prevailing monsoon, from Benculen. In this manner, they would not be able to get further than Pasir and would be forced to remain in this port some months before proceeding to Balambangan. It was this course which he nevertheless pursued. Borneo.

2 Letter from Herbert to the Court of Directors, Fort St. George, 15 September 1772, ibid.

3 Letter from Herbert to the Secret Committee, Fort Marlborough, 25 November 1772. Ibid.

was reached."

Tierney was, nevertheless, left behind in Fort Marlborough, in order to transact for stores, especially arrack, "those furnished by the Bombay Presidency being insufficient," and also to obtain a vessel to take the provisions to Balambangan. Evidently the intention was to palm off Herbert's own grab, the Devonshire, and this was "imposed" upon the Company for 30,000 Rupees.[1] Herbert had also drawn bills on the Court of Directors to the amount of £6,067, "without purchases being made or any expenses having occurred."[2]

The Britannia left Benculen on 1 January 1773, after a stay there of two-and-a-half months, and arrived in North Island on the 24th of the same month.[3] Pasir was reached on the 12th of March, and here, Herbert and his associates started upon a series of transactions, "not to be equalled upon the records of the Company." It was understood that Herbert was attempting a settlement on this port in order to establish a pepper trade for his employers; but he, undoubtedly, had other motives, of a private kind. A notice was put up offering to buy up the private trade

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1 218 Rupees were valued at 100 Spanish dollars. The latter were the currency of Balambangan and neighboring islands. One Spanish dollar was equivalent to 5/6d.

2 Holmes, purser on the Britannia, testified before the Directors that they did take in some provisions for the voyage at Fort Marlborough, but that these could not have amounted to more than 500 dollars' worth or £132. "Case for the East India Company, 12 May 1779," Borneo.

3 Holmes said that it was understood that Herbert stayed in Fort Marlborough in expectation of an Europe ship, and in the Straits of Sunda about a month, too long to get wood and water, to intercept returning ships from China for further necessaries for Balambangan.

of individuals at 25 per cent upon the invoice price and to grant bills on the Company for the amount.[1] The Court later objected on the ground that they had not given authority to purchase such goods. From the account subsequently given by the purser on the ship, it appeared that the true reason for the Pasir transaction was that the private traders could not find other buyers for their merchandise. The Court also found that most of the goods sold to the Company belonged to Herbert, Swithin and Kirkham.[2]

A further irregularity appeared on the books of the Company, where opium and other goods belonging to them were sold to the amount of £27,653, but the returns made in merchandise reached merely £10,407. The debts contracted were put at £5,291 and the charges incurred, at £5,000. A third set of bills was drawn on the Company, to the considerable amount of £12,945.[3] They were labelled "sundry expences;" but as to the nature of the purchases and the manner in which the value was deposited by the several persons mentioned in their letter, the Chief and Council were silent. Later, from Sulu, they wrote to the Directors that they hoped that their long stay in Pasir would prove beneficial to the Company, as they expected to obtain 1,000 piculs of pepper annually from Banjar. To

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1 The value of these goods for which the Company was debited was £10,000.

2 A factor on the establishment, later succeeded Henry Steers on the Council upon the latter's death. Steers was in turn a successor to Tierney, who had also died.

3 Letter from Herbert and Alcock to the Court of Directors, Pasir Road, 10 May 1773. Borneo.

start with they had consigned 700 piculs to China by the Devonshire.[1] This shipment, however, proved to be one more cause of complaint against the Balambangan servants; it was found to be deficient in weight and mostly rotten.[2]

The Britannia left for Sulu and arrived there 16 July 1773. One of the first acts of the Chief and Council of Balambangan was the purchase of Alcock's[3] snow, the Dolphin, ostensibly to add to the settlement's naval force. This was viewed by the Court as "an absolute breach of orders," making the same remark with respect to the purchase of Herbert's Devonshire. It did not appear to them that those ships were or could be of any use to the undertaking, but they were convinced that both had been employed on the private trade account of their servants.[4]

At a consultation held on 4 September 1773, the Balambangan Chief and Council resolved to sell to themselves and to the Factors and Writers the Company's iron and piece-goods, amounting to £20,000, "being such parts of the cargoes as were valuable and saleable in Sulu."[5] A premium

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1 Letter from Herbert, Alcock and Kirkham to the Court, Sooloo, 8 September 1773. Ibid.

2 Kirkham and the secretary, Corbett, found the pepper brought by a prow to be bad, and when they asked the Chief for advice, they were told that they had nothing to do with the quality of the article and were only to direct its receipt on board the English ship. Letter from Herbert to Kirkham and Corbett, Pasir, 18 April 1773. Ibid.

3 David Alcock, the third member of the Balambangan Council, who was appointed by Fort St. George presidency.

4 The Devonshire brought cargo which was sold to the Company and debited to Herbert.

5 The reason given for the transaction was that the voyage had been

of 27½ per cent was allowed to the Company, but at twelve months' credit, really amounted only to 17½. They then proceeded to resell the same goods to the Sulus, payable in twelve and eighteen months.[1] In the Company's books, the value of debts for bonds given by sundry persons for goods sold to the natives in that manner came up to £10,000, while returns amounted only to about £300. According to the purser, Holmes, what happened was that the profits on goods sold for ready money were put into the pocket of Herbert and his men, and such debts as could not be collected were charged to the Company's account.[2] The debts were mostly for opium,

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so delayed that the goods sent for from the different presidencies would have arrived at Balambangan before the Britannia and would create a glut there. Furthermore, the sale at Sulu would open an intercourse with the country and discover the extent of trade which might be carried on there.
See "Case for the East India Company, 12 May 1779," a brief presented against the Chief and Council at Balambangan. The original under seal of the Examiner's Office covers 148 folios and is found in Borneo. Drafts of the same are found in the same collection and in H.M.S., V. 771, f. 482-581. The latter enumerates 87 irregularities and misdeamors, alleged to have been committed by the correspondents.

1 The explanations given for excluding the Company from the trade in Sulu "were such an insult to common sense as to excite (the Court's) indignation." After admitting that the whole of the Britannia's cargo was saleable, Herbert and company declared that the returns must be made in trifling articles, not meriting the Company's attention, yet, as they confessed, from these same insignificant articles they expected their own advantages and emoluments to arise. "Draught of a letter from the Court of Directors to their Chief and Council at Balambangan." Loc. cit.

2 Holmes said that he sold some damaged goods of his own in Sulu for 100 per cent profit, and that there was very little private trade that could be pursued there, having been bought up for the Company before leaving Pasir. The goods sold in Sulu were mostly the Company's.

"the article upon which the success of the Balambangan undertaking greatly depends."[1] Seventy-three chests were left on credit to the natives and at 50 dollars less for every chest than what Herbert charged the Company for opium sold by him on the Devonshire. Moreover, Herbert, after selling his 25 chests to the Company, repurchased 8 at twelve months' credit, thereby giving his employers only 5 per cent profit which ought to have been at least 25. The Court was completely flabbergasted. "We do not recollect," they ranted, "an instance on our records prior to this by Herbert wherein any Company's servant has compelled us to buy his merchandise at his own price for ready money and to resell the same goods to himself at long credit."

To crown all, after harping on the insufficiency of provisions made for the settlement, the Balambangan Chief and Council passed a new set of certificates on the Court, amounting to £12,303, "for value deposited" by Herbert and two other persons. The Court had omitted the subject of bills of exchange in their Orders of 1771, but they "could not expect that before the arrival of their servants at their destination they would pass bills and certificates upon England to the amount of £30,000 and upwards, which was really the case." The fact that they had already ordered £5,000 in specie to be provided for use of the settlement, and that Dalrymple had earlier estimated expenses for the outset at £15,000 and the whole expense

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1 Dalrymple, in estimating the expense of the settlement for three years, which he put at £40,000, said that he had "the authority of a very worthy director's opinion that the profit to the Company of one year's opium investment only would exceed this sum." Letter, Soho Square, 10 January 1770, H.M.S., V. 771, fol. 225-31.

of the expedition for three years at £40,000,[1] must have made the Directors thoroughly disgusted with their Balambangan servants.

The Britannia left Sulu after a stay of twenty-one weeks. The flimsy excuse of having to take in timber and other provisions, which task, according to Holmes, could have been done in three or four weeks, was flagrantly used. Balambangan was finally reached on 12 December 1773, after a protracted voyage of twelve months from Benculen. From the Court's information, if Herbert had sailed as soon as he received his dispatches in Madras, on the 15th of August, which was as late as a ship ought to sail to get through the Straits of Malacca, he probably would have arrived in Balambangan in about two months. He should not have started out when he did from either Madras or Benculen; if he had waited till the next season, he must certainly would have gained his passage from Madras to Balambangan in two months, or from Benculen in a matter of weeks.[2] Herbert's "loitering," the Court was to discover, was only a foretaste of further enormities.

In Balambangan, Herbert matured his plan for carrying on the trade of the Company in the new settlement. From Fort Marlborough, he had written to the Directors that on his arrival at the island he would

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1 Dalrymple's estimate transmitted to the Court 10 January 1770. Court Book, No. 78, f. 395.

2 See "Case, etc.," loc. cit.
According to Dalrymple, a ship sailing directly from England on the 15th April would get through the Straits of Sunda in five and a half months, whence, with the monsoon shifting early, say, by the middle of October, it could work up along the West Coast of Borneo and reach Balambangan in December, a liberal allowance of two months. Letter to the Court of Directors, 30 October 1769, H.M.S., V. 771, fol. 213-14.

consider a proper method of disposing of the Company's piece-goods. However, he did not have to wait that long, for in Sulu, he saw the opportunity to start in his proposed line. The Company's iron and piece-goods on the Britannia and Carlisle were bought and sold by the Chief and Council, Factors and Writers in partnership on their own account. In Balambangan, finding their indents to Bombay not complied with, Herbert and Council, in co-partnership with three other persons, "who had not so much as (the Court's) permission to reside in the island,"[1] contracted with John Hunter, a merchant from Bombay, for piece-goods to the amount of 250,000 Rupees (£31,250) at 55 per cent premium, to be delivered to the contractors or their order.[2] It was further stipulated that the goods should be paid for by bills to be drawn upon the Company by the six partners,[3] and that Hunter was to receive 132,000 Rupees, as part payment for the goods, in bills on the Governor and Council of Bombay

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1 They were amongst the servants of the West Coast Presidency brought by Herbert to Balambangan and who were ordered by the Court to be returned to their respective stations.
Extract General Letter to Bencoolen, 10 December 1773. Ibid., V. 771, f. 741.

2 Articles of Agreement made this 30th day of December 1773 between John Herbert, Esquire, Chief of Balambangan, David Alcock, Esquire, second, and Robert Kirkham, Esquire, third of Council, Mr. Edward Coles, Mr. Thomas Palmer, and Mr. John Jesse, Secretary, on the one part, and John Hunter, of Bombay but now residing at Balambangan, on the other part. Ibid., V. 771, f. 405-9.

3 The Court could not help but point out "the absurdity of stipulating for Coles, Palmer and Jesse to join the Chief and Council in issuing draughts upon them."

and on the Court of Directors.[1] From such transactions, the Court "would not only soon acquire a competent knowledge of the Eastern Trade, but also of the profits of their Servants."[2]

Herbert and Council assured the Court that although the contract has the appearance of a private transaction, it was meant to be a public one.[3] The Court, of course, could not see this meaning in the specific terms of the agreement, especially as their servants did not constitute a majority of the contractors. The goods were no doubt intended for the partners' own private account; "indeed some of them to the last disavowed turning it over to the Company." Moreover, the kind of goods contracted for were to be supplied by the Indian presidencies, and the Balambangan administrators, at the time of the contract, were in receipt of a letter from Bombay informing them that the Surat and other goods indented for had already been ordered. It was further observed that of the goods brought by Hunter from India, a very great part, 90,000 Rupees' worth out of a total of 211,346, did not fall within the contract, "not being goods of Surat or the country adjacent," and were "probably of European growth or manufacture." The Account Current also contained a charge of 10,035 Rupees for freight, although the contract had stipulated that the goods should be delivered free.[4]

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1 The bill on the Court was for 8,000 dollars, that on Bombay was for 125,000 Rupees. The latter draught was worded as for value received into the Treasury at Balambangan, "though not a rupee had been so received."

2 Extract of General Letter from Balambangan, 6 January 1774. H.M.S., V. 771, f. 410-13.

3 Ibid.

4 "Case, etc." Loc. cit.

Another contract was made with Hunter, for a ship and on behalf of the Company. Herbert and Council undertook to load in the ship, to be provided by Hunter, merchandise to the amount of 500 tons at £21.13s.4d. per ton freight; also to return the ship from England to Balambangan, or to any other port in India, with the same load and at the same freight rate; and to allow 6,000 Rupees per month demurrage, if not laden at Balambangan in one month after her arrival and if not dispatched in two months after being unladen in England. In case the Chief and Council should not be able to fulfil these stipulations, they agreed to purchase the ship on reasonable terms or to pay 6,000 Rupees per month for at least one year and until its discharge at Bombay. The penalty for default was £12,000.[1]

The Directors looked upon this transaction as "presumptuous, indiscreet, and unauthorized," one which was "likely to prove unprofitable and expensive," or Herbert and his partners would have included themselves in it. They ordered their servants to endeavour to prevail upon Hunter to dissolve the contract, or they would be held answerable for damages to the Company.[2]

Herbert's experiments for carrying on the trade of the settlement

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1 "Articles of Agreement made this 30th day of December 1773 between John Herbert, Esquire, Chief of Balambangan, David Alcock, Esquire, second, and Robert Kirkham, Esquire, third of Council, for and on behalf of the Honorable United Company of Merchants of England Trading to the East Indies on the one part, and John Hunter of Bombay, but now at Balambangan, on the other part." H.M.S., V. 771, f.423-28.

2 Court's letter to the President and Council of Bombay to be communicated to the Chief and Council at Balambangan, 2 September 1774. Borneo.

appeared to carry him even further. On 2 September 1774, the Court gave positive orders for the Balambangan Council to discontinue their overtures, on the Company's behalf, for a commercial connection with Mindanao, being one of the Philippine islands. They also entirely disapproved the advances made towards opening a trade with Manila, or actually engaging in it, also on the Company's account, "as the Treaties subsisting between the British and Spanish Crowns absolutely prohibit such communication."[1] Of more serious concern to the Court was the complaint of the Spanish Ambassador to England against their Balambangan servants, which was transmitted to them by the Secretary of State.[2] Herbert and Council were charged with aiding the pirates with vessels carrying arms and ammunition for use against the Spaniards navigating in the Eastern seas. The Directors, who had already issued strict prohibitions to their agents before embarking on the Britannia against any form of aggression towards European or other nations, repeated their injunction to that effect.

There is no doubt that the Company's Directors were anxious to confine the activities of their agents to Balambangan, in order to avoid entanglements with either European or country powers; but for their servants, who had to endeavour under certain conditions to fulfil their commission, this was easier said than done. The words of a man, well-acquainted with the area and who had served as supercargo on a vessel consigned to Balambangan, best illustrate the situation:

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1 Ibid.

2 Extract of the East India Company's letter to their Chief and Council at Balambangan, 25 October 1775. H.M.S., V. 118, f. 609.

> "Merchants experienced in the Eastern trade say that it is impossible to make any new establishment in parts where the natives are in a constant state of war with one another, under their respective chiefs, without embracing the party of someone or other. And it is upon such conditions only that any advantages can be obtained from them. That the countenance of a few Europeans is generally sufficient to throw the ballance into any scale; and to give security to the reigning chief. That when the trade of those parts was in private hands they have bean frequently obliged to give assistance to the person who called himself King against his enemies, or no trade could have been carried out." 1.

It follows from the above that where such a division was latent, it was to the interest of the European to stir it up. It was accepted that the success of the Balambangan settlement depended on the "friendship," or more appropriately, the acquiescence of the Sulu ruling class, not a few of whom had had long connections with the Spaniards. In 1773, it was reported from Balambangan that a revolution had taken place in Jolo which put the son of the Sultan in place of his father in the government. The son, Israel, seemed "rather to shew a jealousy of so near an English establishment as that of Balambangan" and insisted that a duty of 5 per cent ad valorem on all commodities should be paid by private traders in his dominion.[2] He was further believed to be inclined to the Spaniards.[3] It will be recalled that he was with his father in Manila throughout the latter's exile there; and the Spaniards were to make much of the fact that he went to one of their schools and learned to

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1 Intelligence from Xolo, Balambangan, etc. received from Mr. Majender the 6th October 1772, enclosed in the letter to the Earl of Rochford from George Patterson, Fort St. George, 15 October 1772. Ibid. V. 107, f. 33-5.

2 Extract of a letter from the President adn Council at Fort William in Bengal, 1 March 1773. Ibid. V. 108, f. 189-90.

3 See the Spanish accounts, Sinibaldo de Mas: Informe sobre el estado de las islas filipinas en 1842, Madrid, 1843, Parte Segunda, p.10-13; Vicente Barrantes: Guerras piraticas de filipinas contra Mindanaos y joloanos, Madrid, 1878, cap. 9.

speak Spanish very well. His coming into power was taken as a favorable sign for the renewal of relations with the Sulus, with the object, in particular, of alienating them from the English and bringing about the expulsion of the latter from their new settlement; indeed, Charles III addressed to him a letter, congratulating him on his accession to the Sulu throne, tendering all help and protection in return for his offer of friendship and alliance, and thanking him for resisting the proposal of the English to transfer their settlement to the Sulu mainland.[1]

The Spaniards in Manila, nevertheless, wished to ascertain the disposition of the new Sultan through a person close to him,[2] and then to send an expedition, ostensibly to pursue the Illanun pirates, but really to find out the true state and purposes of the English in Balambangan.[3] Proposals were drawn up to be made to Israel for a treaty, which included the opening of free trade between Jolo[4] and Manila and the introduction of Spanish troops in some safe quarter of the Sulu territory whence to

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1 Appendix XI of Najeeb M. Saleeby's The History of Sulu, Manila, 1908.

2 Governor Raimundo Espanol of Zamboanga, under orders from the Manila government, picked Manuel Alvarez, sergeant-major of that fort, "somewhat related to Sultan Israel and who had lived in Manila with the latter and other datus" with much familiarity. Through him it was known that the datus were divided into three factions; those inclined towards the English, those to the Spaniards, and the indifferent. Alvarez stayed in Jolo for 53 days, contriving to get as many datus as he could over to the Spanish side. He returned to Zamboanga, seemingly satisfied, accompanied by many datus who,"as always, took advantage of the occasion to do business." Barrantes, op. cit., gives the only detailed Spanish account of the reign of Israel.

3 Ibid., Chap. 10.

4 "Jolo" is the Spanish and current name for the Sulu capital, although it was previously extended to denote all the islands comprising the Sulu archipelago. The latter name is now more generally used, from the native "Tao-Sug" or "people of the current."

obstruct the English settlement. Israel, on the other hand, was believed to be sending secret messages to the Manila Government for assistance "in a stride he had long aimed at of reigning despotic."[1]

The Manila Governor, Simon de Anda, dispatched the expedition under Juan Cencely, "who enjoyed in Manila a certain reputation of capacity." Cencely's instructions were to proceed to Zamboanga and there to concert with Espanol his subsequent course of action. The plan agreed upon was for him to direct his track towards Cagayan de Jolo, professedly to pursue Illanuns who were wont to shelter there, and then, with whatever pretext he could make use of, to anchor in the new English port. "At seeing the ships, fortifications, etc., he should give notice to the English chiefs," feigning surprise at finding them amongst the Spanish domains. Cencely was not to utilize his forces under any circumstance, even if he might consider them superior to those of the English, but he should inform them that "such an unexpected occurrence obliged him to recur to his Government," in so far as it was a matter for the Government of Britain also. At the same time he should get plans to be drawn up of the entrances, anchoring grounds, etc. of the island. Thence he should call at Jolo to deliver to the Sultan the Spanish tenders for peace and alliance which he was to receive from Espanol. He should further try to make the Suluans see the irregularity of their agreements with the English and demand the opening

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1 Extract of a letter from the Chief and Council at Balambangan to the Court of Directors, 15 September 1774. H.M.S., V. 116, f. 663-5. Israel asked for Spanish troops, ships of war, and other aids, in return for which he offered to allow the preaching of the Catholic religion in his kingdom. He could not undertake to expel the English from his dominions for lack of military strength; but if the Spaniards helped with theirs, he could get rid of the English and would not admit them again in the future. Barrantes, op. cit.

of their ports to the Spaniards.

The unannounced appearance of the Spanish armada in the Sulu harbor, however, alarmed even the Spanish-inclined Sultan, who was not above turning to the English for help against his supposed ally. The details of the ensuing parleys between the Sulu government and the Spanish squadron leader all reached the Balambangan Council through the means of the English resident in Jolo, Edward Coles.[1] Intrigue thus commenced from both sides,[2] splitting the datus into pro-Spanish and pro-English factions.[3] Unfortunately for the Spaniards, the untoward behavior of the commander, Cencely, chosen to head their expedition of "good-will,"

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1 See letters from Coles, dated 25 Dec. 1773, 4 and 14 Jan. 1774, in Bombay Public Consultations (15 June 1774).

2 See letters to the Court of Directors from the Chief and Council of Balambangan, dated 12 February 1774, H.M.S., V. 115, f. 317-19, and 15 September 1774, loc. cit. It was deduced from Coles' information and copies of the letters addressed by the Spanish commander Cencely to the Sultan that the Spaniards felt themselves "too weak to attempt a conquest by force alone." Thus did they confine themselves solely to "some underhand manoeuvres," and conceive some hopes "by a proper circulation of Spanish dollars and other promises and considerations, to attract an internal defection, which by a junction of their forces might cause a revolution in their favor."

The Spaniards, on the other hand, claimed that the English, observing a growing resentment of their establishment in Balambangan amongst the Suluans, sought to disunite the Joloan datus by arousing hatred against the Spaniards. They cajoled, intimidated and insulted those datus, including the Sultan, whom they suspected of conniving with the Spaniards, and abetted those who feared a Spanish invasion. In Tandundalaga and Sibuyan, new fortifications were made under the direction of the English factor, who also provided cannons and powder. Another Englishman, named Mr. Brun (Brown?), who had been a military man, directed the plan of defense for the capital and was "the soul of the agitation against Cencely's squadron." Barrantes, op. cit.

3 Those whom the Spaniards claimed to be on their side were Sultan Israel, his father Alimudin, and Datus Manancha, Moloc and Teting. Datus Alimudin and Sarapudin were the principal English partisans, the first, a cousin, and the second, a brother of the Sultan. Ibid.

served to undermine their influence among the Sulus and to discredit the whole diplomatic mission.[1] The English, sooner or later, had to go also. Their settlement with its enormous wealth was the greatest single prize any intrepid datu could hope for, for many a year; and its isolation dramatized its vulnerability.

Such was the precarious situation of the Balambangan colony from the outset. The timidity of the Court with respect to measures of defense and their antipathy to any act of aggression on the part of their servants, which might involve them in hostilities with either European or country powers, heightened the danger. Hardly a month after the arrival of the Britannia in Balambangan, Cencely's armada of one galley and two galliots made its appearance in the Sulu Roads, "using such manoeuvres as rendered it pretty plain they meant to commit hostilities." Surmising that perhaps a rupture had occurred in Europe and that the armada was going to strike at Balambangan, Herbert wrote the Directors that they had turned totally to the work of fortification and were satisfied to say that they were "well prepared to give any enemy that molests them a warm reception," indeed, "to repulse any armament that can be fitted out from Manila to the prejudice of the establishment."[2] The Court's reply was a repetition of

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1 There had previously existed bad blood between the Zamboanga governor, Espanol, and the commander, Cencely. The "peace" mission to Sulu was planned by Espanol and Cencely sought in every manner to discredit him, by bungling it. The first of the latter's misdeeds was to proceed to Sulu, instead of Balambangan, as instructed, and cruise around within sight of the town, without paying the usual compliment to the Sultan. The Sulus were alarmed at this behavior, which not only heightened anti-Spanish feeling but also cast suspicion on the Sultan for alleged collusion with the Spaniards. The Sulus, encouraged and aided by the English, made elaborate preparations for war. Spanish influence and prestige in Sulu had been badly injured, and never again were circumstances so favorable for Spanish-Sulu amity. Ibid.

2 Letter dated 12 February 1774, loc. cit.

their original injunction for their servants to avoid being the aggressor in any act of violence and to preserve themselves and the Company's property by defensive measures only.[1]

On 3 January 1775, finding "little or nothing commendable" in the Balambangan Council's whole behavior, the Court dismissed them.[2] In their places, the Court appointed Robert Nairn as the new Chief, and John Ewart and Alexander Lennox as second and third of Council respectively. To their new appointees, after giving the usual admonition with regard to the proper proceeding which they should adopt in all transactions or disputes with Europeans and natives, they expressed the hope that the settlement was not in danger of being "openly attacked or insulted" by outsiders. In case of "such an unexpected circumstance," they could only advise that their property would be "less liable to danger on board the Britannia than on shore." They also forbade settlement elsewhere should any unforeseen accidents or circumstances prevent the continuation of the Balambangan enterprise.[3]

On 26 February 1775, long before the Court's order for the dismissal of Herbert and Council could reach its destination, the Balambangan settlement was despoiled by a party of Sulus and Bangueyans. The author of the conspiracy and its principal executor was a Sulu datu, named

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1 Extract of Company's letter to Bombay dated 2 September 1774. H.M.S., V. 116, f. 630-2.

2 Abstract Company's letter to the Chief and Council at Balambangan. Personal Records, V. 10, f. 264-5.

3 Abstract Company's letter to Misters Robert Nairn, John Ewart and Alexander Lennox, of the same date, 3 January 1775. Ibid. f. 265-7.

Teteng, cousin to Sultan Israel, friendly to the Spaniards, and said to be indebted for goods delivered to him on credit by Herbert.[1] The capture of the place was attributed to the little credence given to the information regarding the conspiracy,[2] which was transmitted to Herbert previous to the attack.

William Counsell, commander of the snow Speedwell, had been ordered to cruise off the south end of Palawan to look out for the China junks which were expected to arrive at Balambangan. On the 15th of February he was informed by a Bornean, named Bander Allam, owner of a prow which traded at Balambangan, that the Sulus and Bangueyans were preparing for an attack on the settlement. Counsell then dispatched a letter to Herbert containing the intelligence and conveyed by the informer himself.[3] The same information was repeated to him by a Sulu, and he made haste to return to Balambangan. He arrived here on 19th February where he found that Bandar had delivered his message; yet Herbert "neither threw up any entrenchments on the side that was open to assault, nor did he take any other measures to defend the place."[4]

On the 25th, in the evening, a slave belonging to Datu Teteng

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1 Extract of the General Letter from the President and Council of Fort Marlborough to the Court of Directors dated 24 July 1775. H.M.S., V. 119, f. 267-9.

2 See "Narrative of the Loss of Balambangan taken by the Soolooans and Bangueyans 26 February 1775, " by James Barton. In Sir Edwards Hughes' letter to the Earl of Rochford, Salisbury in Bombay Harbour, 22 March 1776. Ibid. V. 165, f. 303-7.

3 Extract of a letter to John Herbert from William Counsell, commander of the snow, Speedwell, 15 February 1775. In Sir Edward Hughes', loc. cit., f. 319-20.

4 Extract of the General Letter from Bengal dated 20 November 1775. H.M.S., V. 122, f. 5-8.

informed a person living in Commander Barton's house that the attack was to be executed on the following night by the Sulus, about 150 of them, living on the island "under the pretence of trade and building houses and godowns, etc.," in conjunction with some 60 others gathered in a prow at Banguey. They were to land quietly in the rear of the stockade where they could get as near as they could to the hill on which the stockade stood, concealed in the thick bushes. The Sulus living in the boats hauled to the shore were to give the signal for the attack by setting a house on fire in the town. Barton went and informed Coles, who had been recalled from Sulu and was now the second in Council; and the latter in turn informed Herbert. The Chief then called a council to determine whether the Sulus on the island should be sent off that night or on the following morning. The decision went in favor of the latter. A strict watch was kept all night, with the troops under arms.[1]

At daybreak, the troops retired, leaving the customary sentries on duty. Within a short time, the signal was given and the raiders rushed upon the stockade. The guns were seized and turned upon the houses on the beach and then on the vessels in the harbor. After the attackers had got possession of the stockade, "which was done without opposition,"

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1 The whole force in the settlement consisted of 1 lieutenant, 1 ensign, 8 Europeans, 46 Sepoys and 50 Bugguesses; the last mentioned were living in the town and were "under the very guns of the stockade." Barton's Narrative, see above.
It should be noted that in its first few months, owing to Herbert's large-scale planning, the settlement had: 77 Military, 70 Britannia's crew, 18 Devonshire's crew, 7 Dolphin's crew, 35 Marines imported on shore, 63 Buggueses; besides 20 Civil servants and 4 European artificers. Memo to the Balambangan Consultation of 22 December 1773. Borneo.

Herbert and his associates, "followed by the garrison, of whom 13 only were missing, retired with precipitation on board the vessels, not one paper ... either publick or private being saved, much less any of the Company's property on shore." From Herbert's latest calculations, the loss in Company property should have amounted to 926,886 Spanish dollars. The value of the several vessels saved and the consignments on board them was computed at 240,521 dollars, exclusive of the debts contracted at Sulu and other ports to the eastward.[1]

Herbert and his party steered for the island of Labuan, off the northwest coast of Borneo, in order to establish another settlement. The situation of the island, it was claimed, "promised fairer for forming an emporium and raising a colony of industrious settlers than Balambangan." They started immediately to set up works and made an exclusive contract with the Borneans.[2]

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1 Vide, Extract of General Letter from Fort Marlborough to the Court of Directors, 24 July 1775. H.M.S., V. 119, f. 267-9.
In their General Letter to the Court of Directors, of 15 Sept.1774, the Chief and Council of Balambangan gave the value of the stock in the settlement as 800,000 Spanish dollars. Abstract in Borneo.
From scattered journals and accounts in Borneo and H.M.S., V. 771, the following information is extracted to show the extent of the Balambangan investment.

Supply of goods, bills and money from London, Bengal, Bombay, Fort St. George and Canton	£231,470
Bills drawn on England at Fort Marlborough, North Island, Passir Road, Sulu, and Balambangan	70,955
Bills accepted in England	32,263
Ships purchased, charges incurred and disbursements made before the arrival at Balambangan (exclusive of the outset from London and the purchase of Hunter's Antelope.	24,182
Credits given before the arrival at Balambangan	42,339

2 See letter to the President and Council of Fort St. George from Fort Marlborough, 24 July 1775, in Fort St. George Public Consultations (22 Feb. 1776), Range 240, V. 41, f. 102-3; also letter from John Herbert and Thomas Palmer, Island of Laboan, 12 May 1775, ibid., f.103-9.

In Jolo, the Sultan and his Council disclaimed all responsibility for the offense and protested their innocence by laying a proscription on the perpetrators. They feared, nevertheless, that the English would make reprisals. They sought the assistance of the Spaniards under the terms of the Treaty of 1737, which plea was rejected with a reminder from the Governor of Zamboanga that the Treaty did not bind either party to give aid against a European enemy. There was talk of putting Jolo under the protection of either France or Holland, but it was decided in the end to prepare for war with the English in the best manner possible. Datu Teteng's return to Sulu with his rich booty contributed in no small measure to this decision.

Teteng declared before the council of datus that "he had no other inducement for perpetrating the acts against the English than their demanding his arms, which he thought was not only a reflection on his honor as an individual but a general one on that of the Soolooans."[1]

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1 Extract of a letter from Mr. John Jesse, Resident at Borneo Proper, 3 May 1775. In Edward Hughes', loc. cit., f.355-7.
Barrantes gives the following version of Teteng's squabble with the English: Teteng was in Balambangan, paying a debt, which he had incurred in a game, by means of his personal labor. There he made friends with Herbert who proposed to him that he bring his relatives and slaves over to work at cutting timber. Teteng did so, and in returned obtained on credit articles to the value of 1,000 pesos from Herbert. These the Sulu datu sold in Borneo, and out of the profits he made, he paid part of his debt to the English Chief. He then expressed his wish to return to Jolo to visit his family, but Herbert insisted that he should leave his slaves behind as security for his debt. An altercation followed in which Herbert disarmed Teteng and put him in the stocks. In the end, Teteng left his slaves in Balambangan and returned to Jolo, where he formed his plot against the English settlement. Op. cit., cap. 12.

The size of the booty[1] no doubt made a much greater impression, and the distribution of it, "down to the slaves," re-established his position amongst his fellowmen. Datus Alimudin and Sarapudin, "esteemed friends of the English," and amongst those who railed publicly at Teteng for his act, shared in the spoils.[2] This had the effect of putting everybody under the obligation of defending himself against the English in the event of an outbreak of hostilities with this people. Consequently the English royal commander, who came to obtain amends, was put off by a refractory council of datus.

Sir John Clerke, commander of H.M.S. Dolphin, was dispatched to Balambangan with a consignment of opium from Bengal. He arrived there on 11th July and was informed of the disaster by Barton, who had been sent back by Herbert to retake possession of the island and intercept the ships destined for the settlement. Clerke thence proceeded to Sulu in hopes of inducing the Sultan and Estates to make some reparations for "the insulted honor of England" and for property taken from the East India Company. On his arrival in Sulu on 22nd July, he was received by two principal datus with a boatload of refreshments which he returned. The

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1 Barrantes also enumerates the Balambangan loot as: colored cloths, fine and ordinary linen from Bengal, woollens, elephants, coconuts, game bones, Surats and bedspreads, silks, chests of opium, diamonds, Moorish earrings and rings, 14,000 pesos in Spanish silver and rupees, 45 cannons of 12, 10 and 8, 228 rifles, 35 pistols, 45 sabers, 22,000 bullets, 200 quintals of powder, plenty of European iron, steel, lead and tin in bars, and small pieces of gold. The Sultan, as Chief of State, received the artillery, armaments, powder, iron and other metals; and as a personal gift, 2,000 pesos and many effects.

2 From Jesse's letter; see above.

Sultan was peeved, and each tried to bluff the other. Clerke finally got the Council to agree to the justice of his demand respecting satisfaction for damages. Expecting them to offer him much less than what he might ask for, he represented the losses as amounting to 400,000 dollars. After much delay and evasion, the Sultan offered 10,000 dollars, which "seemed rather to carry signs of derision than a wish to redress." Clerke took leave immediately, "after giving the Sulus to understand that they might expect any disagreeable visit from the English."[1]

The Labuan settlement was withdrawn in November 1775, being contrary to the Directors' orders not to settle elsewhere in case of failure in Balambangan. The new Chief and Council for the defunct settlement received the remains of the Company's property from Herbert and his associates, who were to reply to the charges laid by the Directors against them and to give sufficient security for all money owed by them to the Company.[2] Alcock and Kirkham were to return ultimately to their stations at Fort St. George, while Herbert[3] must proceed to England to answer for his conduct.

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1 Extract of a letter from Sir John Clerke, dated Off Calcutta, 13 October 1775. In Edward Hughes' loc. cit., f. 295-301.

2 Letter to the President and Council of Fort St. George from William Broff and George Salmon, on the ship Antelope off the island of Laboan, 16 January 1776. Fort St. George Public Department Consultations (4 April 1776), V. 41, f. 183-4.

3 "Extract from the 15th paragraph of the Honorable Court's Letter of 3rd January 1775 to the Chief and Council of Balambangan newly appointed." Ibid., f. 185.
In 1781, Herbert was still waiting for "the investigation of the Balambangan affairs." As it appeared to him that "there is no probability of its taking place for some time, and as his creditors are exceedingly pressing upon him," he was anxious to know what was to become of him. The Committee of Correspondence thus recommended that "in consideration of his very great distresses," he should be allowed to proceed to and remain for three years in India, "to recover his effects under Free Merchants Covenants." Committee Reports (14 Sept. 1781), No. 14.

Thus ended the Balambangan project which Dalrymple had unremittingly advocated for years. The disastrous outcome of the experiment from which he was excluded was due as much to the unfortunate choice of the management to run the settlement, as to the Company's uncertainty with regards to its proper defense. It should be recalled that when the Directors first rejected the project in 1763, it was because they could not spare the force adequate to maintain it; yet in authorizing the settlement, they refused to countenance any military measure which might suggest an aggressive posture towards European neighbors in the area. What they had not reckoned upon was the disposition of the native inhabitants, against whom a display of determined strength was the only security. As to the conduct of the settlement by Herbert and his associates, the Company admitted, with some mortification, that "the evident misconduct of the Chief and Council was rather an unauthorized exercise of power to the damage of the Company than a formal breach of positive orders." The gist of their complaint was that their servants had incurred "a profusion of expenses" and should not have entered on "such extensive plans of commerce in an infant settlement."[1] The loss of all the Company's books in the raid further restricted the legal demands which the Directors could bring against them; and as the bonds, which were given by Herbert to supposed creditors of the Company following the loss of the settlement, started to pour in demanding payment, the Directors' laments increased.[2]

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1 In draft of letter from the Court of Directors to their Chief and Council at Balambangan, 1774. Borneo. Cf. letter of 3 Jan. 1775, Personal Records, V. 10, f. 264-5.

2 See "Case for the East India Company, 17 May 1779," loc. cit.

What of the Suluans, through whom Dalrymple had hoped to extend the Company's trade into Malaysia? Could the Balambangan settlement have succeeded if he had been sent instead? There is no doubt that he would have been far more cautious than Herbert in dealing with the Suluans; his conduct of the Sulu affairs in the 1760's had demonstrated his prudence. Herbert had been undeniably neglectful with respect to the security of the Company's investment in the island, which, moreover, he had allowed to mount out of proportion to the settlement's defensive capability. This only shows what little understanding he had of the Sulus. But whether or not Dalrymple, with his knowledge and insight with regard to the situation in Sulu, could have avoided the disaster and assured continuing success for the settlement, can only be speculated upon in the light of the long Spanish experience with a people to whom apparently treaties and grants were temporary expedients, a respite from pseudo-religious hostilities against all Christians.

CHAPTER VII

The Manila Trade and British Interest

Of the aspects of British interest in the Philippine area, the one which had yielded positive results and promised the brightest prospects was the Manila trade. We have already made references to this in previous chapters, precisely because it is difficult to treat separately the political and economic considerations involved. This chapter shall be devoted to it entirely, carrying the narration to the end of the period under study, but only in so far as it implies mostly commercial motives. The perspective will be shifted to the Spanish side, the better to understand the intricacies of the trade and the nature of British involvement in it. Further British attempts to penetrate it from the political level will be dealt with in the next chapter.

Critics writing contemporaneously with Spanish rule in the Philippines more often than not reproached the incumbent government for its uninspired economic policy.[1] Indeed, the material stagnation of the islands under the Spaniards is proverbial. The gist of the criticisms was that the economic possibilities of the colony were never fully grasped, much less exploited. This was said as well with regard to the Spanish

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1 The most critical of these writers are: A.de Morga, Sucesos de las islas Filipinas, Mexico, 1609; G.T.F. Raynal, A Philosophical and Political History of the Settlements and Trade of the Europeans in the East and West Indies, trans. from the French by J. Justamond, Lon., 1776; H.P. Brougham, An Inquiry into the Colonial Policy of the European Powers, Edinburgh, 1803; H. Piddington, Remarks on the Philippine Islands and on their capital Manila, 1812-22, Calcutta, 1828; S. de Mas, Informe sobre el estado de las islas Filipinas en 1842, Madrid, 1843; F. Jagor, "Travels in the Philippines," Berlin, 1873, trans. from the German by A. Craig, in The Former Philippines through Foreign Eyes, N.Y., 1917.

colonies in America, particularly under the later Hapsburgs. That the level of development throughout the empire was low could not be denied. Moreover, any attempt to trace the sources of weakness invariably led to Spain.

At the end of the Hapsburg regime, Spain may be said to be languishing under a surfeit of gold and silver. She was rich but weak. The acquisition of so much mineral wealth had led to habits of complaisance and lethargy, especially in the high places. Furthermore, to safeguard such wealth against intruders, it had been necessary to set up a water-tight protective system.[1] The legal framework within which the system was designed seemed perfect enough, but in practice the system failed from an inadequate machinery. Not only did it not prevent interlopers from breaking through the barriers, it hit certain classes of Spanish merchants. Long after the system had cracked in several places of the empire, it continued to be operated in other parts where it vitally obstructed economic growth.

The scope of this study does not allow more than a brief description of the Spanish system of colonial monopoly. It is treated here as an introduction to the way in which the Spaniards ruling in Manila handled Asian trade in contrast with the practice of other Europeans, particularly the English. Also, since the Manila trade was considered and administered by the Spaniards as a branch of that converging in America, it will be

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1 For a detailed description of the Spanish system of colonial monopoly, see R. Antunez y Acevedo, Memorias historicas sobre la legislacion y gobierno del comercio de los Espanoles con sus colonias en las Indias Occidentales, Madrid, 1797; C.H. Haring, Trade and Navigation between Spain and the Indies in the Time of the Hapsburgs, Cambridge, Mass., 1918.

better understood within the purview of the entire colonial trading structure.

The Spanish monarchs, in common with their European contemporaries, sought to confine the benefits of colonial trade to their subjects. This meant, naturally, the exclusion of foreigners from sharing directly in that trade. But whereas other European powers made use of the chartered company to ensure this end, Spain adopted a closely policed system of state flotas and galeones. Within this system, colonists were not allowed to trade with foreigners, nor with Spaniards from Spain, nor even with one another, unless both parties belonged to the territory of the same trading fleet. Commercial communication between Spain and her American colonies were in fact limited to a few ports on both sides of the Atlantic, thus entrenching the class of royal subjects awarded the management of imperial trade.

Two convoyed fleets made their voyages across the Atlantic at regulated intervals and over stipulated routes. They departed from either Cadiz or Seville and dropped anchor at the American ports of Vera Cruz and Puerto Bello. After the winter, the two fleets rendezvoused at Havana and together returned to Spain. Mexico and most of central America were supplied from Vera Cruz. Goods unloaded at Puerto Bello were carried across the isthmus of Panama and sent by another fleet to Lima. From here they were distributed throughout South America as far as Buenos Aires.

At Acapulco, Mexico, one or two galleons left and returned from Manila during each year.[1] The value of the cargo of Asian goods allowed

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1 The history and workings of the Manila-Acapulco galleon trade are described in: "Commerce of the Philippines with Nueva Espana 1640-1736,"

to come in was limited to 500,000 Spanish dollars per annum, and the remittance in silver to twice that amount.[1]

The failings of the system were manifested in the exorbitant prices paid for European articles in all the Spanish colonies, the scarcity of basic necessities in either colony or parent state, and the contraband trade indulged in by both foreigners and Spaniards.[2] The failure of Spain's mainly agricultural economy to supply a vast empire hastened the decay of the system and consequently of society. When the Bourbons took over, Spain had no army to speak of, her treasury was empty, and the administrative machinery a muddle. Her very national existence was threatened by political dissent and separatism in several areas on the peninsula.

The economic bankruptcy of the Philippines, the most neglected of all the Spanish colonies, was, as might have been expected, the most

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from the Extracto Historial, Madrid, 1736, of A. Alvarez de Abreu, printed in H. Blair and J. Robertson, The Philippine Islands, V. 45; W.L. Schurz, The Manila Galleon, N. Y. 1959 ed.

1 The decree of 1593 absolutely limited trade between Mexico and the Philippines to 250,000 Sp. dollars annually. In 1702, the outgoing cargo from Manila was raised to 300,000; in 1734 to 500,000; and in 1776 to 750,000. The return value in each case was fixed at twice the outgoing cargo. Violation of the quota requirement was, of course, very common, and often perpetrated with wanton disregard for the safety of the ship through overloading. The Santissima Trinidad, the outgoing galleon captured by the British invading Manila in 1762, was carrying a cargo of Asian goods with a registered value of 1,000,000, but which was believed to be worth three times as much in the market. On the other hand, the consensus of testimony with regard to the value of the cargo of the incoming galleon, the Filipino, was 2,000,000, which might well have been an undervaluation by 1,000,000. The Englishman Parker, who came on the expedition against Manila, claimed that the money brought on the galleon amounted to 6,000,000 corresponding to the return of two cargoes "occasioned by the preceding year's fair at Acapulco having failed." From his "Account of the Philippine Islands," Add MSS. 19, 295, f. 2 - 7.

2 Vide, V.L. Brown, "Contraband Trade as a Factor in the Decline of Spain's Empire in America," in The Hispanic-American Historical Review, VIII, 178 - 89.

complete. Under the system, Manila, the Oriental outpost and the only legal channel through which American bullion and pesos could be exchanged outright for Asian goods, was carefully sealed from the European world and all of Spanish America except Mexico. The trade with China was its logical basis for commercial development, but was ruled out owing to the competition which it threatened or was believed to threaten to bring upon the Spanish silk industry. Thus Spaniards in the city were prohibited from trading with China directly and were compelled to depend upon the Chinese to bring their goods to Manila. As the Spanish metals got dissipated elsewhere, Manila's usefulness as the empire's supplier of Asian commodities dwindled away. Its share of Asian trade was in fact reduced to the limited cargo which annually left it for Mexico, the types of articles which comprised the cargo remaining unchanged and in the same proportions almost throughout the existence of the galleon trade. The irony was that the shackles which the galleon trade laws had effectually girded round the colony were later proposed to be removed by concentrating on the potentialities of Manila as a strategically located commercial port.

Before the galleon trade laws came into effect, that is, during the early seventeenth century, Manila was drawing various Asian merchants to its trade.[1] Silks and spices were the chief items of exchange, highly esteemed in Europe; while payments were made in Mexican and Peruvian pesos which were to become the standard of value and currency along the coasts of Asia. Every year, from thirty to forty junks from China entered the

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1 See Fr. Maria Octavio Agustiniano, "Estado que han tenido las Yslas Filipinas desde su conquista; razon del inmenso caudal que ha pasado a ellas desde Acapulco, y motibos por que no estan en el Estado floreciente de que son capaces." Add. MSS. 13,976. (Papeles Varios de Indias), f. 479-500.

Bay of Manila. Commercial contacts were reported to subsist also with Japan, the Moluccas, Malacca, Siam, Cambodia, Borneo, and possibly other places nearby. European merchants, in the meantime, were increasingly attracted by the commercial activity in the Spanish colony. Those who had neither bullion nor staple commodities in sufficient quantities to finance their own Oriental trade sought to tap this traffic at Manila. Such were the English, who, on several occasions in the latter part of the seventeenth century, petitioned the Spanish authorities in Manila to allow them to bring merchandise into the colony.[1]

At the opening of the eighteenth century, the commercial activity in Manila could hardly be considered as worthy of an empire's Oriental capital. Its economic existence now chiefly revolved around the arrival and departure of the annual galleon, during which time the export quota was filled by wholesale bargaining and the returns distributed amongst the holders of lading tickets, a class of Spanish citizens whose qualifications were prescribed by law. The balance of payments from the galleon's round trip each year was practically the only material resource of the colonials, with the right to ship on the galleon reduced eventually to a form of dole.

Meanwhile, the European rivals of Spain had been establishing settlements and factories in China, India, and Malaysia, the great sources of marketable Oriental goods, and were supplying Europe and America, including Spain and her colonies, with those goods. Prices thus began to

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1 These petitions are described in some detail in T.C.P. Edgell, English Trade and Policy in Borneo and the Adjacent Islands, 1667-1786, unpublished M.A. Thesis, Univ. of Lon., 1935. Chap. 1.

change, and those paid in Manila were generally higher. The sales at Acapulco were also increasingly difficult, since much of what the other Europeans were importing from Asia was passing into America. It should be noted that until the period covered by this study, practically none of the articles which comprised the galleon's cargo were either the products or manufactures of the Philippines.[1] Manila had become a mere gathering-place for goods which annually filled the galleon. Cinnamon was brought in from Batavia, silks from China, and later, white linens and printed calicoes from Bengal and the Coromandel Coast.

The collapse of the Spanish trading system was foreshadowed by the adjustments made in it under the first Bourbon King. The reforming spirit of the new regime was gaining headway in Spain and slowly extending to the American colonies. By mid-eighteenth century, the appeal for the liberation of the imperial commerce had won a hearing, wide enough to get the Atlantic fleets suspended.[2] But trading conditions in the East remained unaffected until the reign of Charles III, under whom the movement for imperial reforms reached its apogee. Even under this regime, the Philippines might well have remained on the fringe of the reform movement if the British invasion of Manila had not jolted the Ministry into a more active interest in the Oriental colony and its economic development. In fact, the old

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1 Shipments were mainly of silks, "because of their small bulk and inability of officials to check undervaluation." C.L. Jones, "The Spanish Administration of Philippine Commerce" in Proceedings of the American Political Science Association, III, 1907, 180-93.

2 On the nature and development of Spanish economic thought during the eighteenth century, see A.V. Castillo, Spanish Mercantilism: Geronimo de Ustariz - Economist, N.Y., 1930; M. Artola, "Campillo y las reformas de Carlos III," in Revista de Indias, XII, 1952, 685 - 714.

trading system survived another half-century in the colony, while monopoly gained a new guise with the formation of the Royal Company of the Philippines in 1785.

The view here taken is that, of all the Europeans trading in Asia, the English most directly touched upon the Manila commerce, being the most persevering in their efforts to share in it, besides providing the model for its improvement. With the Dutch, the Spaniards had had a violent quarrel over the spice trade, but were later content to relinquish the field to their rival since spices were obtainable through Manila and other channels in Europe. With regard to the English, the case was different, They were looked upon by the Spanish Court as undermining home production and manufacture and invading the system of colonial supply, a belief which served as the power drive behind Charles III's programme of reform.[1] The invasion of Manila reinforced this belief, and in striking a new direction in Philippine affairs, the Spaniards perceived the possibilities and the advantages which would accrue to them were they to have a direct concern with the trade of Asia.

We have already referred to the interest which the English had shown toward the Manila trade in the later part of the seventeenth century. While their overtures for an open commerce with Manila were consistently rejected, they penetrated the Spanish barriers by using Asian flags to cloak their operations. As elsewhere, the Spanish officials at Manila

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1 The character of British trade in Spain and her American colonies is treated in J.O. McLachlan, Trade and Peace with Old Spain, 1667-1750, Cambridge Univ. Press, 1940; A. Christelow, "Great Britain and the trades from Cadiz and Lisbon to Spanish America and Brazil, 1759 - 1783," in Hispanic American Historical Review, XXVII, 1947, 2-29.

connived at this illicit traffic, which the conditions of the imperial trade had rendered necessary and expedient. During the first half of the eighteenth century, trading voyages were made with some regularity between Manila and the English presidency of Madras. In the despatches of the latter to the Company at London, there were references to the importance of Manila to the English in India as a source of silver, also reports of the reduction of the land customs in Madras as a result of the stoppage of the trade with Manila by war.[1] The English further spoke of "the English bounds" in the Manila trade which it had been their concern to maintain against Dutch and French designs to monopolize that trade.[2]

The growing demand for silver with which to finance the increasingly important China trade heightened English interest in the Manila trade. Ships belonging to the East India Company were freighted to undertake the voyage to Manila.[3] In 1760, members of the Madras Council were directly concerned with the investment sent to that port.[4] The practice had also been established by which the dollar earnings on each voyage were forwarded

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1 See letter from Nicholas Morse to the English Company, Fort St. George, 15 Feb. 1745; ditto, 31 Jan. 1746; George Pigot to ditto, 10 March 1755, in The Madras Despatches, I. Also letter from G. Pigot to Company, 27 Oct. 1755, in H.D. Lawe, Vestiges of Old Madras, II, 469.

2 Letter from Charles Floyer, etc. to Company, Fort St. David, 12 Feb. 1750; abstract of despatch from Thomas Saunders, etc. to Co., Fort St. George, 5 July 1752, in The Madras Despatches, I.

3 See abstract of general letter fr. Fort St. Geo., 31 July 1760, in Abstracts Fort St. George Letters Received, I, re Barnewall's application to freight one of the Company's ship; also letter fr. G. Pigot to Co., 2 Oct. 1761, re freighting of the Admiral Watson to Nicholas Morse, etc., The Madras Despatches, I.

4 Barnewall, who freighted the Oxford in 1760, drew bills at Manila payable to The Madras President, Pigot, for 121, 863 Sp. dollars, and to J. Dupre, J. Alexander, and G. Dolber for 23,000. Madras Public Consultations (14 Jan. 1761), V. 18.

to Canton on the Company's account for bonds or bills payable at Bengal or Madras.[1] In 1761, the Manila investment resulted in the transfer of 192,000 Spanish dollars to the English supracargoes in Canton.[2] When the expedition against Manila was being prepared in Madras in the following year, the Company's officials showed little cooperation, allegedly because they were directly involved in the investment sent out to Manila that year and were afraid that the invasion might ruin such lucrative trade and cut off the supply of silver to China. The officials were proven right,[3] and after the war, efforts were made to revive the Manila under the old conditions.[4] On the other hand, the Spanish Court

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1 Barnewall offered to advance £20,000 worth of Sp. dollars at Manila for consignment to the Company's Supracargoes in Canton. Ibid. (8 Ap. 1760). The total remittance of the voyage forwarded to Canton was 192,000 Sp. dollars. Despatch fr. G. Pigot to Co., 6 Mar. 1761, in H. Dodwell, Calendar of the Madras Despatches, II, Madras, 1930, p. 233. In 1762, the Madras Presidency bought 73,700 dollars "from those concerned in the Manila voyage." Ditto to ditto, 17 Ap. 1762 ibid., p. 276.

2 The holders of the bills drawn at Manila for consignment of the 192,000 dollars to Canton agreed to take bonds. Ditto to ditto, 2 Oct. 1761, ibid., p. 261.

3 It was hoped that the capture of Manila would increase the supply of silver to Canton. See Company's despatch to Robert Palk, 13 May 1763, ibid., 340. Instead, it resulted in the diversion of money from Canton to help maintain the Government of Manila. The Madras Presidency wrote that Manila which "furnished considerable supplies" of silver must now receive from them. Gen. letr., 29 Ap. 1764, Madras Letters Received, No. 1A. See also chapter on the "Occupation of Manila."

4 President Palk of F.S.G. took the first step to revive the trade by writing to the Governor of Manila. Letr. to Co., 24 Oct. 1764, ibid., 404. Carvalho, who carried the letter to Manila, reported back that he had "a good reception from the present Governor who privately promised for himself and his successor that if the commerce between Madras and the Philippines be renewed under Asiatic colours, the English should be admitted on the same footing as formerly, and the utmost friendship and cordiality shall subsist between the subjects of the two nations." Duplicate gen. letr. fr. F.S.G., 30 Jan. 1765, ibid., No. 2.

continued to snub proposals to legalize the English trade between India and Manila.

The occupation of Manila by the British revealed the appalling conditions in the Spanish colony, its economic backwardness and the poverty of the inhabitants, both Spanish and native. These conditions were blamed on the isolation long inflicted on the colony, particularly the lack of communication with the mother country. The emphasis which was subsequently placed on the rechannelling of Asian trade through the Philippines by a direct link-up with Spain reflected the continued influence of the mercantilist ideals on Spanish thinking vis-a-vis the Oriental possession. Spanish reform there would remain geared to the ultimate object of keeping Spanish gold and silver in Spanish hands. Nevertheless, the acquisition of more accurate knowledge of the actual conditions of trade and production in that remote region of the globe served to broaden the Spanish perspective with respect to the economic needs of the colony.

Meanwhile, Spaniards with long experience in the East were independently maturing their views of economic development for the

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In 1766, Fort St. George wrote to the Company that "the Manila trade is so far revived as to enable the Concern'd to send to China a large quantity of silver which has been delivered to and bought up by the Supracargoes for bills" on the Presidency. They had also purchased from the owners of the Manila investment the amount of 220,000 dollars, and what the latter had not sold had been coined "to keep down the price of silver." Fort St. George Public Consultations (12 Ap. 1766), V. 24.

Philippines.[1] Foremost among them was Francisco Leandro de Viana, for years a royal fiscal in the colony and who had been through the British occupation. We need not go into the details of his proposed project,[2] our interest lying mainly in the influences of the politico-economic system of the English in the Far East as reflected in his thinking. The salient points in his proposals were: the opening of direct trade and communication between Spain and the Philippines via the Cape of Good Hope, exploitation of the islands' economic resources, and formation of a royal company similar to that of the English in Asia, charged with the political as well as the economic administration of the colony.

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1 Nicolas Norton Nichols, an Englishman naturalized into Spanish, wrote a "curious" memorial to the Spanish King, dated Manila, 1759. He urged the opening of direct commerce between Spain and the Philippines via the Cape of Good Hope. He listed the products of Philippine soil which could be developed for exportation to various places. Above all, he proposed the large-scale cultivation of cinnamon, pepper, and other spices, in return for which the people of Manila would get various products of Spain. The ultimate object of the entire project was to release the Spanish empire from its dependence on English and Dutch suppliers. Nichols further offered to make the first voyage through the proposed route, on condition that the King would remit the duties and allow him to embark as much silver as he would need to pay for his return cargo. On the second voyage, he was to pay not only the 5 per cent duty, but also the 3 per cent on silver. Finally, he asked to be allowed "to enter and anchor at any one of the Indian ports" (by these he meant Spanish America and the Philippines), therein to "buy, sell, exchange or lade the goods which shall be offered to him." Comercio de las Islas Filipinas e conveniencias que pueden dar a S.M. Carlos III, printed in Blair and Robertson, op. cit., V. 47, p. 251-84.

2 The printed translation of Viana's Memorial of 1765 found in Blair and Robertson was made from a manuscript, "apparently a duplicate copy of the first original and bearing Viana's autograph signature," then in the possession of Edward E. Ayer, Chicago.

Viana argued that the chief leak in the designedly water-tight trading system of the Spanish empire was the contraband in Asian goods throughout the Americas and the consequent outflow of silver. The principal perpetrators of this contraband were the English. The goods imported by them from China to England were afterwards shipped to Jamaica, whence they infiltrated the Windward Islands. Similarly, they penetrated Mexico by way of the Honduras and the coasts of Campeche and Vera Cruz, and Peru through the Portuguese colony of Sacramento. This illicit traffic had been lately facilitated by the new and very extensive territorial acquisitions of the English further north on the continent and on the Mexican Gulf as far as the Mississippi. The commodities which the English introduced thus into the Spanish colonies were cheaper than those conveyed in the trading fleets by way of Vera Cruz, as the latter paid many duties. By the same paradox, the people selling to the Spanish at Cadiz and paying the duties there sold the same commodities at a lower price in Mexico.

To undermine the English contraband in Asian goods, Viana proposed the adoption by Spanish ships of two direct routes, one passing through the Cape of Good Hope and the other through Panama.[1] The chief link in the exchange between the areas of consumption and production on these routes was to be the Philippines, whose natural resources would be exploited to add to the volume of trade.

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1 The idea of a direct trade between Spain and the Philippines was explored by the Marques de Montesclaros, Viceroy of Peru, in a letter to the King, dated 12 April 1612, wherein he proposed the shifting of trade between Mexico and the Philippines to Spain. See printed translation from the Spanish in Blair and Robertson op. cit., V. See also footnote on Nicolas Norton Nicols.

Of greater interest is Viana's advocacy of a royal company[1] which should not only undertake the large-scale economic development of the Philippines but also rule the colony on behalf of the King of Spain. Here Viana openly emulated the English example. He was thoroughly impressed by the success of the English East India Company in the trade with Asia and in the government of India, which he attributed to its enormous capital, the consistent support of the English King and its political prerogatives. He thus urged the endowment of the Philippine Company in the same manner. Such company was not formed until 1785, but Viana, then Count of Tepa, was still alive and influential enough to have a say in the matter. Much of what he had proposed in 1765 was incorporated into the Charter granted by Charles III twenty years after. The exception made to his proposal to give over political powers to the Company was to be expected. Viana had been too enamoured of his English model to reflect on the impracticability of his suggestion. The promise of monopoly to a given group of persons from the Spanish monarch was a breach of tradition. Abdication of his political authority over a colony would be sacrilege in the Spanish concept of royal absolutism and centralized power.

The idea of the Spanish navigating via the Cape of Good Hope for trade purposes had been explored before Viana's time. It was then inveighed

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1 The idea of a direct trade between Spain and the Philippines by means of a company was earlier aired in the colony by the Archbishop of Manila, Pedro de la Santissima Trinidad Martinez y Arissala. Vide, "Resumen en que el ano de 1752 hizo el Arzobispo de Manila de el proyesto de las islas Philipinas," Add. MSS. 17,583, f. 345-50.

against not only by Spaniards but by English and Dutch as well.[1] The Spanish cities, which had opposed the Manila-Acapulco trade in Chinese silks because of competition with national manufactures, proposed direct access to the Asian sources of commodities in the 1730's and were resisted on the same nationalist grounds. The English and the Dutch, on the other hand, looked upon the Spanish use of the Cape route as an abridgement of their traditional rights to that route and a threat to their trade interests.[2] The Court of Directors of the English Company stated their position in a memorial to the Duke of Newcastle dated 10 May 1732.[3] It claimed that the number of powerful competitors already

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1 The ban on Spaniards against the use of the route via the Cape of Good Hope was implied in the Papal Bull of Demarcation of the fifteenth century. The course around Cape Horn, on the other hand, had been opposed by the Andalusians on the ground that it would be used to exploit the market on the west coast of America, which was a preserve of the Puerto Bello galleons. Portage at Panama would also mean cutting into the monopoly held by that same group in Peru through the "Fleet of the South Sea." Vide. Schurz, op. cit., appendix 1.

2 The stir amongst the Dutch and the English in 1732 was caused by the Spanish King's grant of a ten-year asiento to Don Manuel de Arriaga, for a company to trade between Cadiz and the Philippines. The grant was made in Seville on 26 April 1732. See extracts of the grant in Home Miscellaneous Series, V. 77, f. 415-19.

In 1733, largely through the instrumentality of the Spanish Minister, Patino, the first Philippine company was created. In the Royal Charter of 29 March 1733, which formed the company, the King revoked all the permissions and licenses hitherto given to carry on the commerce between Spain and the Philippines, particularly the asiento granted to Arriaga. An English translation of the Charter is found in ibid., f. 361-81.

The Philippine Company seems to have dropped of itself, Charles III in his decree of 1785, forming the second Company for the Philippines, ascribed its miscarriage to "subsequent wars and the serious affairs and cares of the Government." Viana in his Memorial mentioned the loss of Torres' fleet as a contributing factor.

3 "To the Duke of Newcastle, His Majesty's Principal Secretary of State, from C. Mole, Secretary for the Court of Directors, East India House. H.M.S., V. 99, f. 81-6.

engaged in Far Eastern trade had considerably raised the prices of merchandise in all parts of India. The French competition had in fact deprived them of a substantial part of the trade in calicoes, muslins, tea and silks with Holland, Germany and other countries. A Spain established commercially in their midst might confine them to the English market. In the new Spanish scheme, Indian and Chinese silk products could be imported into Spain only upon a register of re-exportation to countries which the English Company had been supplying. It was likely, moreover, that the Spaniards would be able to furnish themselves with calicoes and other cotton cloths more cheaply than the English had been selling them and would send what they could not consume to countries buying from the English. Finally, Spain's intention was not to confine the trade to the Philippines alone, but to extend it to all the countries of the East Indies with the Philippines as the springboard. The strategic position of the Spanish colony could thus be exploited so as to disturb the English in their China trade and the Dutch in the spice monopoly.

All this fuss, however, was unnecessary. The Spanish scheme was not carried out and Asian trade was pursued as feebly as before through the Manila-Acapulco galleon. In 1764, the English were set astir again by the revival of Spanish interest in the Asian trade. In order to bring

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The Dutch side was presented in a "Memorial of the Netherlands East India Company to the States-General relating to the project in Spain for the carrying on a trade from Cadiz to the Philippine Islands." Ibid., V. 74, f. 163-8.

The Dutch and the English then joined together in presenting their case to the Spanish Court. See "Translation Joint Office presented by Messrs. Keene and Vandermeer to the Marquis de la Paz at Madrid as to a trade to be carried on directly from Cadiz to the Philippines, 16 August 1732." Borneo: 1648 - 1814, No. 45 of Packet IX.

Spain and her colonies closer together, Charles III instituted a system of direct communication between them. Each year, packet-boats were to be dispatched from Corunna to important stations in America, bearing letters and cargoes. Such cargoes were to be limited to products of Spain and the ships to return to the port of departure. In the case of the Philippines, the royal frigate was to embark European goods at Cadiz for Manila, and here to freight, on account of the merchants and inhabitants of the city, native products and Asian merchandise of all kinds, including those imported from China and Japan. Toward the end of 1764, the ship Buen Consejo left Cadiz to undertake the first of fourteen such voyages.

The English presidencies in India, hearing of the Buen Consejo's voyage, immediately wrote to London, asking to be instructed on how they could make the Spanish ship's use of the Cape of Good Hope look like a violation of standing treaties.[1] The Fort St. George Presidency further complained of the stop put to their trade at Manila, the authorities there having seized the private ship freighted by them and made the captain, supracargoes and other persons prisoners, "under pretence that no English ship is to trade to that port, notwithstanding she has as usual a Moorish pass." It was believed that the arrival of the Buen Consejo in Manila was the cause of "this change of conduct in the Spanish Council."

The matter also reached the English Ministry, from the embassy in Spain. Sir James Gray wrote of the Dutch formal complaints to the Spanish

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1 Extracts of the letter from Bengal of 6 Sept. 1766 and of those from Fort St. George dated 22 and 23 Jan. 1767, in Orme Collection Various, V. XIX, f. 68-9, also in H.M.S., V. 77, and Borneo 1648 - 1814.

ministers, Puente-Fuerte and Grimaldi, against the Spanish use of the Cape route, which the Dutch claimed violated the treaties of Munster and Utrecht. The validity of these treaties with respect to the limits of Spanish navigation was in turn repudiated by the Spanish ministers. They were considered out of date, and the example of the Swedish and Danish ships going through the same route was cited. The Spanish ministers, however, seemed to have assured the Dutch that there would not be many ships making the same voyage as the Buen Consejo's.[1]

In London, the correspondence of 1732 was dug out and several papers were transmitted by the Earl of Shelburne to the Company's Court of Directors for the latter's information.[2] The Company, however, had left it to the Ministry to negotiate for the protection of their interests against the Spanish threat, hoping that the English King might be persuaded to intercede with Charles III.[3]

The King of Spain was adamant in the face of Dutch and English opposition, and kept on with his packet-boats to the Philippines, stopping them only when the project for a royal Philippine company was launched. The packet-boats were in fact only a beginning in a vast programme of reform. Bent on getting Spain a direct share in the Asian trade, Charles III made revolutionary changes in the commercial code and encouraged private

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1 The correspondence between the Dutch and Spanish on the subject is found in full in H.M.S., V. 77, f. 391-449.

2 "From Richard Sutton, for the Earl of Shelburne, Whitehall, 23 May 1768," ibid.

3 "To Sutton from Michell for the Court of Directors, E.I.H., 21 May 1768," ibid., V. 99, f. 79.

concerns to follow his example. In the "free trade law" of 1778,[1] the King's enthusiasm showed no bounds. It abolished all export fees and duties on Spanish goods, including silver money, leaving Cadiz and other designated ports on the Spanish peninsula for the Philippines. These goods, in addition, entered the colony customs-free. Philippine products, on the other hand, were exempt from export duties and admitted to Spain on a parity with the American colonies. Finally, certain goods of China and other Asian countries which were brought to Spain from Manila could be re-shipped by any of the King's subjects to the northern parts of Spanish America.

In that same year, the Five Major Guilds of Madrid dispatched two of their men to Manila to enquire into the prospects of investment in the projected commerce between the Philippines and Spain via the Cape of Good Hope. In the following year they sent out a trial ship, and spurred by its outcome, fitted out two more in 1780 and 1782. Meanwhile, the King had granted a private organization permission to undertake a voyage from Manila to Spain via the same route.[2]

The Philippines was inevitably caught up in the reforming spirit of Charles III's regime, and this was reflected in the appearance of a new type of administrators and investors, openly critical of antiquated ways

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1 See "Real decreto en que S.M. (Carlos III) ha resuelto ampliar la concesion del comercio libre, contenida en decreto de 16 de octubre de 1765, etc., (2 feb. 1778), Madrid, 1778 (fol.); Reglamento y aranceles reales para el comercio libre de Espana a Indias, de 12 de octubre de 1778 (pp. 262), Madrid, 1778.

2 For an account of the commercial awakening and goings-on in Manila during our period, vide, Manuel de Azcarraga y Palmero, La libertad de comercio en las islas Filipinas, Madrid, 1872.

and eager to try new ones. A group of Manila merchants gathered together to explore the idea of buying Oriental goods at their sources. In 1771, the Spanish Governor-General took the first step to carry out that idea by sending the frigate Deseada to the Malabar Coast, with instructions to negotiate a trading arrangement with the Nabob of Carnatic.

All these experiments, however, yielded unimpressive results. Opposition to the new trade was strongest in the colony, where the progressively minded had to contend with selfish, long-established interests and the inertia of centuries-old practices. Moreover, trade conditions in Asia had been drastically altered in the past half-century, and to be able to cope with them required more than the sporadic efforts of sanguine innovators. It was left to a corporate body, with enormous resources in the form of capital, experience and royal backing, to make the breakthrough.

The idea of the Spanish Royal Philippine Company has been generally attributed to the Frenchman Francisco Cabarrus.[1] This may be due to the fact that his close relations with the Minister for the Indies, Joseph Galvez, were at the time of its conception a matter of general knowledge. It now seems probable, however, that the idea originated not with Cabarrus, but with Bernardo Yriarte, a member of the Council of the Indies. It was indeed Yriarte's proposals which, transmitted to Cabarrus by Galvez,

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1 See R.D. Hussey, The Caracas Company: A Study in the History of Spanish Monopolistic Trade, Harvard University Press, Cambridge, 1934; W.L. Schurz, "The Royal Philippine Company" in The Hispanic American Historical Review, V. 3, Nov.20, No.4.

first brought the Frenchman into the business.[1]

Yriarte's proposals[2] were embodied in a letter to Galvez dated 4 August 1781. This surveyed the prospects of trade linking South America, the Philippines, India, China, and Europe, in the light of a vast collection of papers and memorials which had been lying in the archives of the Council of the Indies for years. Amongst them was a memorandum by the Count of Tepa, formerly Fiscal Viana of the Philippines, who in the 1760's proposed the creation of a Company for Eastern trade on the model of the English East India Company. Yriarte took the same view, holding that only by being entrusted to a chartered company could the trade be made to prosper, and an effective competition maintained against the commerce and manufactures of France, England, and Holland. He further held that only through such a company could financial groups, like the Compania de Caracas and the Banco Nacional de San Carlos, be effectively associated with the trade. As a first step, he proposed the formation of a board of advisers with knowledge and experience of the trade, "zealous, trustworthy, intelligent persons", whose proceedings should be secret. Amongst those suitable for membership, he listed the Spanish naturalized

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1 On 21 June 1782, Yriarte sent to the Count of Floridablanca a copy of the proposals he had the year before submitted to Galvez, his reason being that Cabarrus had got wind of his project through a confidant the former had who was close to the Minister and was now proposing the same. Yriarte did not wish the Frenchman to have the chief hand in the formation of the proposed company, as there were people expert on the matter who had yet to be consulted. Yriarte evidently had a very low regard for Cabarrus. From Yriarte's memorandum (draft without date) followed by an "Advertencia," Biblio. Egerton, V. 378, f. 8-9.

2 In "Papel al Sr. Conde de Floridablanca," signed Bernarde Yriarte, Madrid, 21 June 1782, ibid., f. 2-7.

Dionisio Kelly from Britain and the Count of Tepa, both qualified by years of experience in the Philippines, and the Marquis of Yranda, a man with a great reputation in Spain as a mathematician with a deep grasp of the techniques of commerce.

A few days after Yriarte had sent his letter to Galvez, he was approached by Cabarrus who surprised him by referring to the proposed company and offering suggestions as to its formation.[1] Yriarte expressed his misgivings about Cabarrus to his chief and friend, the Count of Floridablanca, the King's Minister for Foreign Affairs. He recalled that the Frenchman had been engaged in transactions involving the "dissipation" of silver from Spain, the chief item in the China trade, and that Floridablanca himself had on one occasion tried to restrain the man by denying him license to run a post service to Bayonne.

However, the decisive element in the formation of the Philippine Company was the foundering Compania Guipuzcoana de Caracas. Cabarrus was a stockholder in the latter and saw an opportunity for turning its assets and unpaid dividends into account.[2] Combining knowledge with acumen, he easily persuaded his fellow stockholders to reinvest in the new enterprise.[3]

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1 See second para. of Yriarte's memorandum cited above, which he had intended to include in his letter to Floridablanca but which he withheld.

2 The idea of converting the Compania de Caracas into a company for the Philippines which Cabarrus proposed before a general board of stockholders was also claimed by Yriarte to be originally his. See "Advertencia" cited above.

3 Vide, Cabarrus' discourse before the stockholders of the Caracas Company on 9 July 1784. Two copies and two drafts in ibid., V. 518 (Papeles Tocantes a la Compania de Filipinas), f. 17-45.

And greatly disposed to favor such an initiative was the Spanish King himself, to whom the development of the Philippines was an object of deep concern.

The Royal Decree of 1785,[1] establishing the Royal Philippine Company, granted the latter the right of monopoly to the trade between Spain and the Philippines by way of the Cape of Good Hope and of Cape Horn. Its ships could stop at Buenos Aires en route to the Philippines, but under no circumstances could they return to Spain through Spanish America, except with a special permit. The Acapulco trade was to continue unmolested, the Company and all its dependents restricted from taking part in it, either directly or indirectly. Commerce with America in Asian goods was limited to 2,000 tons for Caracas, Maracaibo, and Cumana, and 800 for Mexico, and these as transshipments from Cadiz, liable to all the export and import duties laid by law on such goods. Admittedly, trade with Asia could not be maintained with Spanish and American goods alone; thus the Company could bring with every shipment to the Philippines 500,000 pesos' worth of silver coins.

The exchange at Manila of Spanish and American goods for those of Asia was to be the Company's chief business. But it was discovered soon enough that neither was it easy to obtain Asian goods in competition with other Europeans, nor could a profitable market be found for them in Spain, where apart from the fine muslins, other cotton goods and many silk

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1 Full text of the decree, 100 articles in all, entitled "Real Cedula de Ereccion de la Compania de Filipinas de 10 de marzo de 1785," in ibid., f. 47-77 (published copy by D. Joachin Ibarra, "Impresor de Camara de Su Majestad").

products were unknown.[1] The great demand for these goods was in America, but the Company was barred from taking them there by the direct and lucrative route, via the Pacific.[2] A plan was set on foot to secure for the Company a factory at Canton, while French and English offers of factory sites in India were brought under consideration.[3] Unfamiliar with the factory method, the Company resisted it as risky and costly;[4] indeed, of the European colonial powers in Asia, Spain had had practically no experience of it.[5]

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1 Vide, "Reflexiones sobre las causas de que procede la corta ganancia que la Real Compania de Filipinas ha experimentado en las cuatro anos que hace empezo sus operaciones," ibid., f. 83-5.

2 The Company, in a memorandum to Yriarte on 12 May 1788, declared that without the trade with America it could not possibly prosper as much as the other European companies. Ibid., f. 118-26. The King's Government, however, maintained that direct trade between the Philippines and India on the one hand and America on the other "can not be conceded," evidently in consideration of the old Acapulco trade. However, "in case of war or other emergency, or necessity of State or Company, such permits as shall be judged necessary shall be granted, with the qualifications and explanations proposed by Sr. Portier..." See "Resolucion de la Junta Suprema de Estado comunicada por el Senor Ministro de Hacienda al Senor Vice-Presidente de la Compania con fecha de 24 de julio de 1790," ibid., f. 164. Portier's opinion on the matter was that the most that could be conceded was to permit the Company to send two shipments each year, one to Acapulco and the other to Callao de Lima, the value of each shipment not to exceed 500,000 pesos, principal cost at current prices in Manila." Dictamen del Senor Portier en la Suprema Junta de Estado," n.d., ibid., f. 165.

3 In "Consecuencias de los echos i reflexiones presentados por la Real Compania de Filipinas," ibid., f. 86-7.

4 Suggestions were made to establish the Spanish factories in the French possessions in India, specifically Chandernagore and Pondicherry, in preference to those of the English and other European powers. The French were represented to be "more tractable" than the English and not as "avenous" and "arrogant". Josef Pereira Viana to Yriarte, Madrid, 1 Oct. 1791, ibid., f. 248-53. Another Spaniard, who had been 20 years "on continuous voyages in America and Asia," recommended one factory in Madras and another in Calcutta, with permission from the English. Vicente Vasadre to Yriarte, Madrid, 14 Jan. 1791, ibid., f. 185-201.

5 In 1598, the Governor of Manila was authorized by Philip II to open direct trade with any of the neighboring Asian countries.

The inertia of a long-established commercial habit could still be strongly felt. The merchants of Manila had been accustomed to a passive role in the commerce of Asia, and instead of dispatching ships to obtain goods at their sources, they depended on foreign merchants to bring them in. Europeans who were forbidden from trading in Manila nevertheless brought Asian merchandise on ships supposedly belonging to Asians, by law the only ones admitted into the Spanish city. The English at Madras were especially adept at this type of subterfuge, sending ships with native captains and crews but under the direction of their own pilots and supercargoes. When European pilots were prohibited altogether from entering Manila, the Spanish merchants were obliged to despatch their own ships to Madras or Bengal for piece-goods, the first voyages of which proved commercially disastrous.[1] When the Royal Philippine Company was created, the port of Manila remained open to the native merchants of Asia, with the hope that these would bring in large quantities of goods and enable the Company to obtain those goods at a small advance on the prime cost. At

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Consequently Juan Zamudio was sent to China to secure the grant of a port on which to establish a Spanish trading post. The concession of a site near Canton, known in Spanish records as El Pinal, seems to have been obtained. However, the hostility of the Portuguese in nearby Macao, the growing Dutch and English menace in the Eastern parts, and the indifference of the Manila settlement contributed to the abandonment of the China factory. W.L. Schurz, The Manila Galleon, p.68.

1 Having no factories, it was necessary for the Spaniards to stay in Madras, where they could "most surely obtain a supply of the quality goods required," while the cargo was collected. This meant 6 or 7 months from the time of their arrival and receipt of their order and advance payment, during which the cotton goods were "woven, printed, and dyed." Alexandro Malaspina, "Observaciones sobre el estado politico y economico de las islas Filipinas," (end of eighteenth century), Add. MSS., 17,624, f. 2-24.

first this trade was carried on principally by Armenians residing in Bengal and on the Coromandel Coast, who sent ships annually to Manila under Portuguese colours. However, the right to purchase from them being confined to the Company, and with the infiltration of "different adventurers endeavouring to undersell each other," the trade fell off and was discontinued.[1] Thus the Company was compelled to apply to European merchants resident in Bengal and Madras to supply them with the necessary piece-goods. This having also failed to materialize, the Company turned to English agents of the English East Company, thence to the latter Company itself, as we shall see.

As far as supplying Manila with Chinese merchandise, some of them were brought in by champanes from Nanking and Amoy, but "the fine, embroidered fabrics, silks, lacquer and other curious effects which were made in Canton according to the European taste"[2] had to be fetched by Spanish ships despatched there from Manila. These ships had to wait for six or seven months until the goods were finished, since work on them was not started without a specific order as to quantity and quality and an advance payment. Thus travellers passing through Manila might wonder why the Spanish merchants did not station factors in Canton with the necessary funds, so as to have the cargo ready at the arrival of the Spanish ship and to take advantage of the dropping of prices after the other European

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1 See letter from Mr. W. Paxton, and Misters Brown and Rogers to the English Company's Court of Directors, London, 21 May 1788. Auditor's References, No. 4, 1783-8.

2 Malaspina, op. cit.

companies had completed their business."[1]

The difficulties in the Spanish methods were only too apparent to be denied. The stop at Manila, as prescribed by the Royal Decree of 1785 in carrying out the Company's trade, was redundant and expensive for some Asian goods. It was impossible to sell in Spain Chinese silks and teas passing through there, being from 20 to 24 per cent dearer than those brought directly from their sources. The Philippines itself had very little to contribute to the trade. It would take many years before the development of the colony could return commercial profits to the Crown and the Company. The products which could be developed commercially in the Philippines were found "in abundance" in Spanish America. And even if the pepper of Mexico could not compete with that of the province of Tayabas, the latter could not be obtained with as much facility as that of India. Furthermore, merchants in Spain and America were wary of dealing with those of Manila, who had been notorious for their abuses and misdeeds in the handling of Asian goods via the Acapulco galleon. Finally, the European community in the Philippines was too small to have

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1 Malaspina gives an incisive description of Spanish methods of trading in Asia, inquiring into the factors and reasons behind them. First of all he maintains that "the example of the other European companies does not prove anything in the question, as it is based in different circumstances." Among others, the Spanish difficulties lay in the fact thatthey had no territory in India on which to set up their factories, and that the "interests" on the China trade belonged to different persons. "The owners of the ships employed on the Canton business are not the same persons who put in the money for the investment; neither is it their job to establish factories. On the other hand, it does not interest the Spanish merchants to have a short voyage, the expenses of which are disbursed by the banks to whom the freight is paid." Loc. cit.

any substantial consumption of Spanish and American goods.[1]

The merchandise which so far had yielded clear profit to the Spanish Company was Indian muslins.[2] They early comprised the Company's main investment, but not without the disadvantage already referred to above. The Company could not buy them as profitably as the English East India Company, nor even compete with those who bought from the latter Company. In fact by sending them to Europe through Manila, the Spaniards incurred from 30 to 40 per cent surcharge over those which the English sent directly from India.[3] No credit exchange existed between India and the Philippines, and as the bills of exchange recognized in Bengal and the Coromandel Coast, as well as in Malabar, Surat, the Persian Gulf, and the Red Sea, were those of the English Company, the Spanish Company stood to lose some 20 per cent by transacting in those bills.[4] Moreover, the Spaniards had no insurance houses; thus the premiums paid to foreign underwriters represented money lost.

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1 See "Exposicion de la Compania de Filipinas relativa a su establecimiento, y a su importancia politico-mercantil, etc.," Cadiz, 1810. Historia de Espana, Papeles Varios, V. 18, No.1, pp. 73-81.

2 In Spanish usage, "muslins" meant white cotton fabrics, or "all the cotton goods obtained from Bengal," which comprised two-thirds of all the cotton fabrics coming from India. "Copia de Minuta de la nueva cedula de la Real Compania de Filipinas presentada con fecha de 5 de abril de 1790." Biblio. Egerton, V. 518, f. 163 (recto).

3 See "Reflexiones sobre el Real Decreto de 7 de setiembre en que Su Magestad alza la prohibicion de las muselinas extrangeras pagando de derechos a la entrada 15 por ciento y los demas establecidos para los generos extrangeros." Ibid., f. 87-90.

4 "Reflexiones imparciales que Don Vizente Vasadre propone al Ministerio, Enero de 1791," enclosed in his letter to Yriarte, 14 Jan. 1791. Ibid., f. 185-201.

Under the Pragmatic Sanction of 24 June, 1770,[1] the importation and use of muslins in Spain were prohibited on the oft-repeated grounds that they threatened national production, caused the dissipation of silver, and defrauded the royal revenue through contraband. The ban was lifted[2] just when the Philippine Company was breaking into the muslin trade and realizing some gains from their initial operations. The ban had obviously not produced the desired results. There could not be found a substitute for muslins in certain uses, and the demand for textiles could not be satisfied by the national production, not even after direct shipments from the Philippines had started. The new Pragmatic Sanction put the Company in a precarious position. Caught with 100,000 unsold piece-goods, it was sure to incur greater losses in competition with the English. A glut in the market and the consequent dropping of prices would compel the Company to relinquish the Indian trade and face complete ruin.[3] In was, in fact, no longer able to send ships to Manila to fetch those goods. To save the Company, a compromise measure was adopted by which a price was fixed on muslins entering Spain.[4] But this was not

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1 Ley 65, tit. 18, lib. 6 de la Recopilacion.

2 "Pragmatica-Sancion en fuerza de ley, por la qual se alza la prohibicion absoluta de la entrada de muselinas en estos reynos y se permite su introduccion y uso no siendo pintadas, en la conformidad que se expresa," en Madrid, en la Imprenta de Don Pedro Marin, ano de 1789. Egerton, V. 518, f. 127-30.

3 "Reflexiones sobre el Real Decreto de 7 de setiembre, etc.," loc. cit., f. 87 (recto).

4 The price of such muslins to be not less than 30 reales vellon to a yard, as stipulated in the Royal Resolution of 19 Feb. 1791 referred to in the "Pragmatica-Sancion" of 1789, loc. cit.

enough. In 1793, the prohibition was again imposed, restoring the Company to its monopoly.[1]

The Spanish Company, in common with the other European companies trading in Asia, made up shipments of Bengal and Coromandel piece-goods by means of advance payments to manufacturers or their intermediaries.[2] These advances usually amounted to two-thirds of the value of the finished products prior to delivery. Thus to make an assortment of 1,000,000 pesos' worth, 600,000 had to be brought in silver from Spain. As the Spaniards became more and more dependent on the English for the supply of this investment, it was felt necessary to reach some formal agreement with the English Company who had a monopoly on those goods.

The Royal Philippine Company commissioned their agent in London, Fermin de Tastet, to negotiate a contract with the English Company. On 1 May 1788, Tastet delivered his propositions to the Court of Directors of the English Company.[3] The latter should undertake to deliver at some

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1 "Pragmatica-Sancion en fuerza de ley, por la gual se prohibe la introduccion en el Reyno de las muselinas, y de otros generos de algodon de Asia por diverso medio o' conducta que el de la Compania de Filipinas, a la que se reintegra en el privilegio exclusivo que la estaba concedido para introducir ella sola, y vender por mayor dichos generos, en la conformidad que se previene," (1 Oct.), ibid., f. 80-3.

2 See Josef Pereira Viana, "Methodo que propongo para establecer en Manila las manufacturas de mercaderias que se hacen en el grande y pequeno Ganjes, y en los principales lugares de la Costa de Coromandel," enclosed in his letter to Yriarte, dated Madrid, 12 May 1791. Ibid., f. 217-24.

3 'Propositions of Don Fermin de Tastet for the Philippine Company to supply 600,000 dollars in exchange for merchandise to be delivered in the East Indies," Auditor's References, No. 4, 1783-88 (n.p.).

mutually designated port or ports in the East Indies, at prime cost and with all incidental charges, such goods as the Philippine Company would order from them to the sum of 600,000 pesos, which amount should be paid in Canton and the pesos to have the same value as that received by the English from Europe. The Philippine Company, on the other hand, was to send a ship to the designated port to receive the goods, and bring on the same ship, besides bullion, also wines, brandies, and other products of Spain and Spanish America, which would be sold freely in the port, unless the English Company chose to buy them. The Spanish Company should also be allowed to maintain factors or commissioners at all English establishments in India, with all the privileges and immunities enjoyed by their equivalents in England. Any residual cash which the Spanish factor in Canton might find in his hands should go in payment of goods purchased there from the English Company, or should be entered as part payment of any bills which the Spanish agents in India might in future draw on Canton. Failing both, the money should be considered as a private loan to be repaid by the English in London to the order of the Philippine Company, at the same rate for the pesos as that in Canton.

These propositions were transmitted to the English Minister Pitt, who made no objection to the idea of a contract between the two companies.[1] The negotiations, however, proceeded very slowly, with both sides niggling unnecessarily. The Spanish Ambassador, the Marques del Campo, tried to

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1 "At a Secret Court of Directors held on Wednesday the 7th May 1788;" also "At a Court of Directors held on Friday the 16th May 1788," ibid.

speed up the transactions by appealing to Pitt.[1] Subsequently, the Court of Directors of the English Company put forward their own proposals.[2] Tastet's objections centered on three points. Firstly, the Philippine Company, which would be opening "a new channel for the consumption of Indian manufactures in Spain" at the same time "rehabilitating" India by a large export of money there, was circumscribed as to its export cargo, "under the false notion that it may hurt the trade of individuals." Secondly, the English Company need not stipulate that the Spanish Company's factors should be natural-born subjects of Spain, since "the natural predilection was too strongly in favor of one's countrymen." Lastly, the allotment of goods which might fall short of the guarantee ordered by both Companies would in effect exclude the Spanish from any share in the most important items.[3]

To the first objection, the English Company replied that unless the Spanish imports were restricted, "instead of dollars, goods to any amount might be carried to India and their produce only paid in for the investment to be furnished the Royal Company, whereas it was in view to benefit

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1 "Note from the Marquis del Campo to Mr. Pitt recommending the expediting the negotiation between the Philippine Company and Directors for supplying the former with piece-goods, 2 July 1788, Great Marlborough St.," ibid.

2 "Proposed Articles of Agreement between the Honorable United Company of Merchants of England trading to the East Indies and the Royal Spanish Philippine Company," submitted by the Committee of Correspondence and read in Secret Court 23 July 1788. Ibid.
See also correspondence between Tastet and the English Directors from 16 May to 22 July. Ibid.

3 Tastet, 25 July.

the country by the introduction of specie." To the second objection, the English opposed the possibility of the introduction of foreigners as well as British subjects, the inconveniences of which they were not prepared to meet. As to Tastet's third objection, the English Directors maintained that they could not think of a fairer division than that already suggested.[1]

Tastet's further efforts scored for the Spanish Company one trifling point, e.g., the addition of iron to the list of Spanish exports, the amount of which should not exceed 80 tons, this "being sufficient for the (kentledge) of the Spanish Company's ships."[2] But Tastet was not yet through. Just before the scheduled signing of the Agreement, he introduced minor alterations to which the English readily agreed, as they did not materially affect their original proposals.[3]

Needless to say, the Agreement was never carried out, just as every effort made subsequently to reach a similar agreement fell through. From the Spanish point of view, the Agreement would have proved prejudicial to certain established interests, particularly in Manila. In fact, the Manila trade which was the Spanish Company's raison d'etre was completely ignored. The Spanish pesos which were intended to be kept in Spanish hands would be literally poured into the English coffers. Moreover, 60,000 pesos' worth

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1 At a Committee of Correspondence, 6 Aug. 1788. Ibid.

2 "Secret, Report (of the) Committee of Correspondence on Don Fermin de Tastet's letter of the 19th August, 26 Aug. 1788, read and approved in Court 10 Sept." Ibid.

3 Tastet to Nathaniel Smith, Bury-Court, 11 Nov. 1788; "At a Committee of Correspondence, 19th Nov. report on Tastet's letter referred 11th Instant, read and approved in Court the same day." Ibid.

of Spanish exports could hardly be considered a fair exchange for the 600,000 in silver money to be delivered into the English Company's treasury at Canton. Above all, a treaty with the foreigner to which the Spanish King was not a party could hardly interest his paternalistic government.

On the other hand, the Directors of the East India Company were in doubt as to the adequacy of the 15 per cent to be paid by the Spanish over the prime cost of articles to be delivered to them; if insufficient to cover all the charges involved in packing, sorting, etc., and "the commission," they would become "mere agents for the Spaniards."[1] They were also concerned that the Spaniards might go to the aurungs or markets to make private purchases, "a measure likely to prejudice the English interests in a commercial view," unless they tried to supply them with those goods required by the Spanish Company but unknown to the Company's agents in India or which were not usually provided for the East India Company's investment.

The fears of the Bengal Government with regards to the possible consequences or effects of the proposed treaty between the two Companies were couched in more specific and realistic terms. The goods which the English Company were bound to deliver to the Spaniards were the best assortment in the Company's investment in India. It was generally known that the private merchants who invested money in the aurungs sold the

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1 "Commercial Department: Separate (letter) on the Agreement with the Royal Philippine Company, signed Wm. Devaynes, S. Lushington, etc., London, 22 April 1789," (to the President and Council at Fort St. George). Home Misc. Series, V. 77, f. 503-18.

produce in Calcutta at 25 per cent on the prime cost, 10 per cent more than the Spanish Company was to give on the same goods. It was also common knowledge that the Company purchased "considerably cheaper than any other order of dealers in some place as to exceed belief," and that as regards quality, its finer fabrics were worth 40 per cent upon the invoice. It would thus seem "entirely probable" that foreign agents or British traders would be glad to buy the Company's choice goods. Meanwhile, the exports to Manila, including the freight on Bengal ships, could not have been landed in that city at less than 45 or 50 per cent, "perhaps more," on the Bengal aurung cost, and transshipped to Spain or Mexico, would perhaps fetch a total of 80 per cent on the first cost. Thus by paying a mere 15 per cent premium, as provided in the proposed treaty, the Spaniards would be trading "on better terms than other foreigners, whether adventurers or privileged companies,... better ... than British subjects, nay... better... than the English Company themselves," as to undersell them all in the markets of Europe. Viewed from another direction, the supply of the Spanish consumption direct from Bengal to their European and American ports at the 15 per cent premium would constitute "such a saving as would soon bring on the decay of the Manila trade." The Philippine Company would eventually have no need for supplies to be sent to that place, and it was most likely that trade there with Bengal would be entirely prohibited. The loss of this trade would mean to the English the disappearance of the concealed trade of their private merchants, besides the loss of all the freight which British ships had been receiving from the Spaniards, of all the commission and profit in the sales at Manila, and of the duties paid by Spanish imports into England. The last

three items alone, on an investment of 15 lacks in both Bengal and Madras at 35 to 40 per cent premium, were calculated to amount to "above 50,000 pounds sterling" each year.[1]

Lord Cornwallis' view of the matter, which may well represent English thinking in India with regard to trade with the Spaniards in the East, was that the proposed agreement between the two Companies should be dissolved, and that the Spaniards should be left to make purchases from private merchants, or to employ their own agents "in executing all their commissions for procuring the manufactures" of India.[2]

As a matter of fact, while Tastet was negotiating in London, the Spanish Company's officials in Manila were proposing to enter into a contract with John and Lewis Da Costa, "native inhabitants of Calcutta under the description of Portuguese." By this contract, a supply of piece-goods would have been delivered in Manila by a Portuguese vessel.[3] Agents of the English Company at Calcutta were approached by the Philippine Company for the same reason. To regularize their proceedings, the House of Paxton, Cockerell, Delisle and Company, and Joseph Thomas Brown in partnership with a Mr. Rogers, wrote the East India Company's Directors in London, requesting "a favourable construction of an Act of the twenty-

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1 Extract of letter from the Board of Trade at Bengal, 1 Dec. 1789. Ibid., f. 539-91.

2 Extract of letter to the Court of Directors, 7 Dec. 1789. Ibid., f.595.

3 This engagement proved unsuccessful. "The persons so employed were in every respect unfit for it. They made an attempt but their resources failed, and they by that means in some measure brought discredit to the Settlement." Letter from Paxton, etc., 21 May 1788, loc. cit.

first of His Present Majesty, Cap. 65," which would allow them to enter into a contract with the Spanish Company.[1] This project seems to have failed also. We can infer, however, the magnitude of the business involved from what actually passed between the East India and Philippine Company without benefit of contract or treaty. A Spaniard claimed to have been a witness to the delivery of 1,300,000 pesos to the English supercargoes in Canton by the Spanish Company, an amount corresponding to the year 1788 alone.[2]

Two years after Tastet signed the Agreement in London, the English Company were still waiting for their Spanish counterpart to ratify it.[3] The matter was finally closed by a virtual rebuff from the Spanish side. The ports of Spain had just been opened to the importation of East India white piece-goods, which Tastet interpreted as "an annihilation of the Treaty," although he had had "no orders to declare it so to the English Company."[4] Moreover, the Nootha Sound dispute had broken out and was threatening to inflame the two nations into war.

After the war clouds had lifted, the project, which was set on foot in the ministerial chambers of London and Madrid in 1785 for a treaty of

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1 Ibid.

2 Vasadre's "Reflexiones," loc. cit.

3 Full text of the Agreement, signed by Fermin de Tastet on 10 Dec. 1788, "sealed and delivered in the presence of John Smith and William Wright," in H.M.S., V. 77, f. 451-500; another copy in V. 634, f. 191-228.

4 "At a Committee of Correspondence," 15 Sept. 1790; idem., 2 Nov. 1790. Ibid., f. 598-9.

commerce between the two nations, was revived, but in a different direction. The declaration of war between England and Spain in 1779 had disrupted the commercial entente existing between them. The details of the negotiations[1] which lasted four years in an effort to adjust their commercial relations by treaty are peripheral to our subject and therefore do not concern us here. We should note, nevertheless, that during the negotiations, the atmosphere in Spain hardly conduced to a revival of English privileges in the Spanish trade, since it was precisely these that Charles III had set out to destroy. But notwithstanding Spain's continued resistance to English overtures for a commercial agreement, British trade in Spain and her American colonies went on without serious obstruction. This is the same picture we have seen with respect to British trade in the Philippines.

The man commissioned by George III to negotiate a commercial treaty with Spain was Ralph Woodford, who lost this commission in 1793 when further hope of obtaining such a treaty had been dispelled. Woodford now turned to the East India Company through whom he thought he could put to profitable use the information and insights he had gained from his long negotiations with Spanish agents. In fact, before the withdrawal of his royal commission, he had matured a project "more consonant to the views of Spain and less prejudicial to her revenue than the project of 1786 was construed to be."[2] He seems to have been encouraged in this direction

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1 In F.O.72, V. 29-32.

2 "State of the Negotiation now pending for a Treaty of Commerce with Spain," in Mr. Woodford's of 20 Aug. 1791. Ibid., V. 31, f. 49-56.

by Lord Grenville, and had hoped that the latter could convince the Court of Spain of the mutual benefits which could be derived from his proposal.[1] He had also proceeded on a line which would most likely make an impression on the Spaniards, and that is, the possibility of salvaging the Spanish trade with the Philippines and developing the colony for commercial profit. He did not think that the concessions under the Royal Decree of 1785 were sufficient to achieve these ends. He maintained that the inhabitants of the Philippines and the Spanish Company were jealous and distrustful of one another.[2] The latter was undermined by "ignorance" and "rapacity" on the part of its servants. It had little or no credit with "the responsible mercantile houses in India," and consequently, had incurred bad debts with houses of "doubtful reputation" and had been receiving merchandise of "inferior quality."

Woodford envisaged the opening of Philippine ports to British products and manufactures from India, which would enable the inhabitants of the Spanish colony to buy them at prime cost and avoid the high prices at Canton. Meanwhile, British settlers in India should be allowed to

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1 See correspondence between Woodford and Lord Grenville, from 2 Aug. 1792 to 7 Dec. 1793. Ibid., V. 32, f. 232-404, passim.

2 The nature of the opposition which faced the Company in Manila may be gathered from the following extensive memorials in support of the body: "Copia del y nforme, que con el correspondiente oficio dirigio la Direccion de la Real Compania de Filipinas con fecha de 11 de enero de 1788 al Exmo. Sr. Bo. Fr. Don Antonio Valdes, en contestacion a la Representacion hecha a S.M. por el Consulado de Manila (con fecha 8 de julio de 1787)." Biblio. Egerton, V. 518, f. 91-115; "Voto de Don Bernardo de Yriarte leido en el Consejo de Yndias, sobre el expediente de los recursos del Consulado y otros Cuerpos de Manila contra la Cia. de Filipinas," Madrid, 11 de diciembre de 1792. Ibid., V. 519, f. 59-78.

establish themselves in the islands under certain regulations, with the view to introduce capital and British techniques in industry and agriculture.[1] But the main point in his proposal, a theme which had been stressed again and again in the evaluation of British interest in the Philippine area, was the possibilities of the Spanish islands as a "general depot of the manufactures of Bengal, Coromandel, Malabar, Batavia, China and Japan." The need of the expanding English trade for such a base, first cogently expounded by Dalrymple three decades before, was as yet unsatisfied.

Woodford was referred by the Chairman of the Court of Directors of the East India Company to Charles Cockerell, who had been ruminating the same subject.[2] On 27 June 1793, Woodford transmitted his Plan of 2 August 1792 to Lord Melville, with "the new lights" he had acquired on the matter, chiefly from Cockerell and the Spanish Consul-General, M. de las Heras. To obviate an obstacle in the 1788 negotiations, Woodford now suggested that the person or persons to act for the Philippine Company in the proposed transaction should have the full sanction and authority of the Spanish King.[3]

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1 "Considerations for concerting a commercial arrangement with the Philippine Islands," enclosed in Woodford's letter to Lord Grenville, Whitehall, 2 Aug. 1792. Ibid., f. 232-42.

2 Documents on the subject, from this point on, or covering the period from 27 June 1793 to 8 Feb. 1798, are made available at the India Office Library through microfilm of Professor Holden Furber's collection of Melville MSS, said to be at Harvard University.

3 Woodford further suggested, "as a matter of deliberation, whether the King's authorization will not be requisite at the commencement as well as the conclusion of the proposed arrangement." Woodford to Dundas, New Norfolk St., 27 June 1793.

Indeed, the main reason why the Agreement negotiated by Tastet miscarried was because he did not have the right credentials.[1]

As Woodford immersed himself in the matter, his plan for a commercial agreement with Spain became more ambitious, showing a greater cognizance of the realities and difficulties of the Spanish Eastern trade. He also introduced a note of urgency in his proposal, appealing to both the nationalist and commercial interest of the East India Company. Word was around that the Spanish King was contemplating the renewal of the ban on muslins in his realm.[2] The "distresses of the manufacturers of Leeds," which had been recently made known to Woodford "on the spot," were likely to occasion an appeal to the British King's Government. A memorial, in fact, had already been received from the manufacturers of Manchester pressing for a commercial treaty with Spain. The Spanish edict which Woodford had feared was issued in September 1793, and in a subsequent letter to Lord Grenville, he expressed his concern of the effects which the news of such a decree would have when it reached the manufacturers of the north.[3]

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1 In the Ayer Collection of the Newberry Library, University of Chicago, a document exists entitled "Sobre un tratudo de comercio y nauegacion entre las Companias Ynglesa y Espanola," (Ca. 1796), which points out that the two companies "have not been founded on the same basic principles, that is to say the English are masters of the lands they occupy and have power to make treaties, both political and economic with foreign nations and companies, whereas the Spanish have to answer to the King." The document evidently treats of the convention between the two companies as proposed by Woodford, 21 Aug. 1793, describing the articles as involving questions of sovereignty,""so that all would have to come to the attention of the King." Paul S. Lietz, Calendar of Philippine Documents in the Ayer Collection of the Newberry Library, Chicago, 1956, No. 252.

2 Woodford to Devaynes, 1 Sept. 1793.

3 Idem to Lord Grenville, 7 Dec. 1793.

Woodford was now reinforced in his idea that the opening of Manila and other Philippine ports to the British in India would open the Atlantic front doors of Spanish America to Indian manufactures and the Philippines itself to British and Irish produce. These British exports would yield "the pure bullion of Mexico" for the replenishment of the treasury at Bengal and the Coromandel, which was being drained of specie by the continual remittances to Europe of "the vast fortunes accumulated by individuals." Spain had had no merchant marine in the East; the Portuguese had been the main carriers between Manila and the Indian coasts, but they were trusted "with difficulty from their bad faith."[1] By undertaking this direct commerce, the English would save the Philippine Company the "exorbitant expenses" of the mercantile expeditions to the said coasts, and the latter would also not be "imposed upon in their purchases as they actually are."[2] Moreover, the establishment of English commercial houses in Manila would introduce credit between the Philippines and India, a mode of transaction which no doubt would benefit both contracting parties.

Woodford's plan appears to have been received favourably by Dundas and Lord Cornwallis. William Devaynes, the Chairman of the East India Company's Court of Directors, however, seems inclined to look at the

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1 Woodford to Johnson, 14 Aug. 1798. Woodford enumerated the articles from Great Britain and Ireland "which it is surmized Spain would permit to be imported at Manila on board of the licensed ships;" also the articles, "the growth of Old or New Spain which the Royal Philippine Company may send to the English East India Company's settlements." Woodford to Dundas, 29 Sept. 1793.

2 "Translation of (de las Heras') Suggestions communicated in reply to Sir Ralph Woodford's Note B."

matter from the point of view of benefitting the China trade,[1] and would advise that the proposed direct trade between India and the Philippines be carried on by English individuals with license from the Company, rather than by the Company itself.[2] A third school of thought, the most ambitious of all, one which seems to have prevailed amongst a segment of the King's Ministry as we have seen and will again notice in the next chapter, was that now espoused by Cockerell, formerly a resident of India. By way of ensuring a vast network of exchange involving British merchandise and encompassing China, India, the Moluccas, Acapulco and Peru, as far as the Mediterranean, the English should obtain the cession of Luzon "or more of the Philippine Islands." The immediate possibilities from this acquisition lay in the geographic position of the islands, or its proximity to China which would spare British merchants from the exactions of the Canton monopolists, since the large fleets of Chinese junks which at one time visited Manila would again be drawn to it.

In return for the cession, Spain would be allowed to have factories in Manila and at Calcutta or Madras, or if preferred, she could have Chandernagore and "some unfortified place on the Coast" which formerly belonged to France.[3]

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1 Devaynes to Woodford, 14 Aug. 1793.

2 Idem to Dundas, 2 Sept. 1793.

3 Cockerell's "Memorial upon the subject of concerting a new plan of commerce with the Spanish Real Compania Philippina between India and the Philippine Islands, with a view to its extension to Acapulco through the means of the Spaniards by the way of Manila, as well as from the English possessions in India to Spain direct." Enclosed in Woodford's letter to Dundas, 27 June 1793.

It is unthinkable that Spain would have even considered the idea of ceding part or all of the Philippines. Cockerell was certainly out of touch as far as understanding the Spanish concept of seigniorial power. Spain's tenacity with respect to her overseas possessions was both emotional and political. Two hundred years of "evangelical labor" in the Philippines could not have been bartered for a mere commercial advantage. Besides, possessions in the East were still a powerful prestige symbol amongst the European imperialist nations.

The official English attitude towards projects such as Cockerell's was summed up by the Minister in charge of Indian Affairs. While admitting the "ingeniousness" of some of the propositions, Dundas complained that the projects all "embraced a great deal too much."[1] As to Woodford's plan for an Anglo-Spanish commercial entente[2], yet another item was to be added to the nation's archives. The recurrent discord between the two nations intervened again to nullify his efforts. The outbreak of war in fact reduced him to appeal for "some compensation for the trouble and pains" he had taken in the Philippine negotiations of 1793 and 1794.[3] Replacing his plan in the ministerial chambers was another of attacking Manila, or for a repeat performance of the 1762 invasion.

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1 Dundas to Cornwallis, Somerset Place, 22 March 1795.

2 "Project of a convention between the Sovereigns of Great Britain and Spain, ratifying the Articles agreed upon between the English East India Company and the Royal Philippine Company."

3 Woodford to Dundas, 26 July 1797.

CHAPTER VIII

Further British Projects in the Philippines

I have dealt at length with the principal British activities in the Philippines within the period selected for this thesis. The invasion and occupation of Manila and the settling of Balambangan each constitutes only a brief interval in the forty-five year period. If we include the time which went into their planning and organization, those intervals stretch just over the first fifteen years. Nevertheless, British interest in the area may be shown to persist throughout the period. This has already been demonstrated in connection with the trade at Manila, an interest which manifested itself strongly in projects calculated to make that field of commerce yield direct advantages to English merchants. These projects, as we have noted further, came to nothing.

Such was also the end suffered by various other schemes conceived with the same politico-economic views as those observed in the first fifteen years of our period. One was aimed at re-establishing the Balambangan settlement, another at repeating the invasion of Manila. Three more proposals relate to the island of Mindanao, and were forged on the same considerations as those which generated the two plans for a trading base on Balambangan.

In dealing with these projects, I make the same broad propositions as those suggested in initiating this study and in treating of the actual activities of the British in the Philippines. First, they may be used to

illustrate the nature and extent of British interest in the entire East. Secondly, they can be helpful in providing further insight into the situation in the Spanish Philippines.

In Mindanao, some spadework was actually done by Company agents toward acquiring an English trading base near the spice center. The first efforts were made in 1762 and resumed in 1775. A proposal presented in 1780 for a campaign in the South Seas against Spanish America included an operation en route in Mindanao where the King's forces were to assist those of the Company in obtaining the desired spot for a settlement. The whole scheme was dropped, however, in favor of another involving an attack on the more strategic Cape of Good Hope.

In 1797, a formidable expedition was prepared at both the Bengal and Madras presidencies and was all but launched against its target, Manila. This would have subjected the Spanish dominion in the Philippines to another severe test, like the invasion of 1762, and might well have provided a fresh turning-point in the history of the colony.

In 1803, the Balambangan settlement was restored by order of the governor-general in Bengal, Wellesley, one of the pace-setters of British empire-building. It was presently ordered to be withdrawn by the Company's Directors in London, who held the Dutch spice islands a better economic prize, and thought that they might gain them as a result of the upheaval taking place in Europe.

These enterprises affecting Mindanao, Manila, and Balambangan provide the subject of the concluding chapter of this thesis. They were part and

parcel of the Company's general scheme for commercial hegemony over the Eastern sectors of the globe. The Mindanao projects, like those proposed for Balambangan, were based on the idea that the island was favorably situated for gathering the produce of Borneo and tapping the spice trade; that it was suitable for the cultivation of certain spices; that by its proximity to the Philippines, the Chinese junks might be induced to make a stop there, and a "severe check" might be dealt to the Spaniards at Manila; and finally, that it would make a convenient half-way station on an alternative track to China.

In the debate on the proposed invasion of Manila in 1762, the Company's Secret Committee tried to wring from the King's Government some tangible compensation for the aid which they had been asked to extend to the project.[1] Draper, who was appointed to head the expedition, and the Commander of the King's squadron in the East received instructions from Government, evidently in reply to the Company's request, to proceed to take possession of Mindanao after the conquest of Manila.[2] Both, however, left Manila without so much as attempting to go to Mindanao, much to the chagrin of the Company.[3] Drake and his council, who constituted the

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1 See the chapter on the Manila invasion.

2 Cf. Secret Instructions to Brigadier General William Draper from the Court of St. James (Draft), 14 Jan. 1762, C.O. 77/20; and Secret Orders and Instructions to Rear-Admiral Charles Steevens, 26 Jan. 1762, Adm 2/1332.

3 In the word of the Company, "Draper's sudden departure from Manila before other objects such as the attack of Mindanao, had been undertaken was certainly irregular..." Separate Despatch to George Pigot, 30 Dec. 1763, in Henry Dodwell, Calendar of the Madras Despatches, V.2, p. 387.

Company's government in occupied Manila, consequently took it upon themselves to undertake the project, but without the use of force.

In February 1762, before the invasion, the Sultan of Mindanao sent an envoy to Manila to arrange a treaty of peace with the Spanish government. Having apparently accomplished his mission, the envoy was preparing to leave for his country when the English came. On January 24, 1763, he requested Governor Drake and Council to allow him to return to Mindanao, offering to deliver any message they might want to send to his King and promising to return with the latter's reply.[1]

The Moslem emissary had earlier intimated to Governor Drake that his sultan would gladly bind himself in an alliance with the English, which was the customary line pursued by Malay chieftains of allying themselves with the superior of two contending powers. The Manila Board immediately perceived how such an alliance would be useful toward the taking of Zamboanga, the Spanish stronghold on the island of Mindanao, or any other spot on which to build the desired base for English trade.[2] The economic importance of the island, as had already been emphasized

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The reason given by Cornish for not attempting the settlement in Mindanao was that he had no ship to spare to do it. "Confidential Letter from the Committee of Secrecy to the Governor-General and Council in Bengal and to the Presidents and Select Committees at Fort St. George and Bombay, dated 2 Oct., 1780, with a postcript dated the same day". Minutes of Secret Committee, V. 3, f. 119.

1 Letter to the Manila Board from Gundao, Ambassador from Mindanao, in Manila Consultations, V. 6, p. 20.

2 Consultation, 24 Jan. 1763. Ibid., p. 21-2.

by those familiar with the area, lay in its production of cinnamon[1] and the "abundance of staple commodities".

Mindanao, or Magindanao, the second biggest island in the Philippine archipelago, was described in the following manner by Captain Thomas Forrest, who made the second attempt to secure a settlement on the island.

> "The island is of a triangular form, having three remarkable capes or promontories; one near Samboangan where the Spaniards have their chief settlement to the westward; Cape Augustine or Pandagitan to the eastward; and Suligow [Surigao] to the northward. The island may be divided into three parts; each under a distinct and independent government. First under the Sultan who resides at the town of Mindano [Mindanao] or Selangan, by far the largest and most ancient; formerly comprehended the greatest part of the sea coast. The second under the Spaniards which covers a large portion of the sea-coast, to the west, north and northeast, where they have planted colonies of Christians from the Philippines called Bisaya. The third under the Illano or Illanon sultans and rajahs, a fort of feudal chiefs who inhabit the banks of the Great Lake or Lano and thence a good way inland, towards the hills... they possess also the coast of the great bay, situated on the south side of the island".[2]

At the time the Company's Government at Manila were considering the proposals of the Mindanao emissary, they were also discussing the terms of an alliance with the deposed Sultan of Sulu, Alimudin I, also

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1 The species found in Mindanao was called cassia, said to be "little inferior" to Ceylonese cinnamon. Manila General Letter to Fort St. George, 25 Dec. 1762, para. 16. Madras Military Consultations, Range D, V. 49, f. 79.

2 A voyage to New Guinea and the Moluccas from Balambangan: including an Account of Magindanao, Sooloo and other Islands; And illustrated with 30 copperplates. Performed in the Tartar Galley, belonging to the Honorable East India Company, during the years 1774, 1775, and 1776, by Captain Thomas Forrest, to which is added a Vocabulary of the Magindano Tongue. London, 1779.

in Manila.[1] The latter showed greater enthusiasm in favoring the English as he was anxious to return to his throne with their aid. He offered to cede to the Company "such part of his own dominions on Xolo or Borneo as they may chuse to erect forts or factories upon for the security of their trade, to confirm the treaty of commerce between Dalrymple and the present prince [Bantilan, brother of Sultan Alimudin], and to enter into an alliance, offensive and defensive, for the mutual protection of their possessions".[2]

Archbishop Rojo, the Spanish governor of the Philippines at the surrender of Manila, objected to these transactions as a violation of the capitulation. He claimed that similar arrangements had already been made with him by this people, and in view of the fact that the surrender of the Philippines was made as by way of a deposit, until the resolution of both the English and Spanish kings was known, nothing should be done which might prejudice this pawn. He warned that the effect would be to stir up the "Moors", a dangerous eventuality which might occasion "the destruction of all".[3]

The English, nevertheless, went on with the business, believing in their undoubted right to enter into agreements with any princes or people

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1 See chapter on "Revival of British Interest in the Eastern Archipelago".

2 Manila Consultation, 21 Feb. 1763. Borneo Factory Records, 1648 - 1814.

3 Letter to the Manila Board, 19 March. Man. Cons., V. 6, p. 58.

whatever,[1] especially as Sulu "never was included among the Philippines", and Anda "continues raising and fomenting troubles".[2]

A ship, the St. Ann, was prepared to take Prince Israel, Sultan Alimudin's heir apparent, to Sulu, along with a cargo of Coast goods to be consigned to Bantilan and other Sulu chiefs under the treaty made with Dalrymple. In the same ship they also embarked the Mindanao ambassador,

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1 Spanish claims to suzerainty over the island of Mindanao dated back to the time of Governor Sande who sent an expedition both there and to Sulu in 1578 to secure the submission of the people. Under Governor Gomez Perez Dasmarinas, the campaign for the pacification of Mindanao was intensified, accompanied by the usual religious missions. In 1599, the Spanish fort La Caldera was erected, only to be dismantled the following year owing to the wide spread piracy of Mohammedan Malays, among them Sulus and Mindanaos, in the Visayas and Luzon. In 1635, the settlement was re-established, now called Zamboanga, spear-headed by 300 Spanish soldiers and more than 1000 Visayans. This was followed by the most vigorous campaign on the island under Corcuera. The fort was once more abandoned in 1662, when the Chinese pirate Kue-sing threatened to invade Manila. In 1717 the fort was again standing, and since then had served as the Spanish bastion against the marauding Malays of the South and especially for keeping the Sulus and Mindanaos in line. On the whole, the Sulus were more intractable, and with their stronger political integration, were a greater impediment to Spanish expansion in the South. The Mohammedans on the island of Mindanao, on the other hand, were usually divided under various independent kinglets. At the time of Forrest's visit, the most important and unified of the Mindanao principalities was that of the same name, anciently called Tamontaca, and located at or near the present site of Cotobato City. Its relations with the Spaniards fluctuated between hostility and peace, but in general it was disposed to remain in still water under the menacing aspect of the nearby fort of Zamboanga. The Illanuns, who were found to the north, around Lake Lanao, were a more piratical lot and seldom descriminated between Mohammedans and non-Mohammedans when on a plundering spree. See Chapter on the Balambangan settlement for Spanish accounts of Mindanao which also treat of Sulu.

2 Cons., 19 March, Man. Cons., V. 6, p. 60.

escorted by John Durand, Quartermaster of the Company's troops.[1]

The latter was "to use his endeavours with the Sultan of Mindanao to put him in possession [in the name of the British King] of Samboangan or any of the Spanish settlements on that island, or... to obtain a convenient spot for a settlement near a river, if possible navigable for ships, if not, at least for large sampans..." He was also to cultivate the friendship of the envoy in order to obtain information of the island of Mindanao, of the Spanish settlements there, and of their relations with the sultan or his chief men.[2]

Toward the end of July of the same year, a letter[3] was received from Durand, telling of his arrival in Jolo, of his friendly reception by the chief leading men, and of the caution which had to be taken against the common people "who were not very scrupulous of murder, especially of strangers".

From Sulu, Durand proceeded with his charge to Mindanao. It appears that he was warmly received there, that he obtained assistance from its people in the reduction of La Caldera, an old Spanish settlement near Zamboanga.[4] However, the Spaniards rallied upon the arrival of a reinforcement from Zamboanga and forced them out.[5] With the restoration

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1 Cons., 12 April, Ibid, p. 74-5.

2 Instructions to John Durand, 14 April. Ibid., p. 83.

3 Letter dated Jolo, 11 May, read in Cons. of 25 July. Ibid., p.159-60.

4 Letter from Quintin Crawford, Manila, 4 Aug. 1764. Abstracts Fort St. George Letters Received, No. 1.

5 According to a Spanish account, Anda appointed Pedro Yame to take charge of the defense and custody of the port of Zamboanga, not trusting in the short experience of the governor there. When Yame arrived, two

of peace between Spain and England, the Mindanao project, which had been initiated thus by the Company's agents, governing at Manila, came to an end.[1]

In June 1771, when the Company Directors launched the Balambangan settlement, they gave directions to the agents in charge of it to undertake "the acquisition and cultivation of those valuable articles", the spices.[2] They had been assured by Dalrymple that cinnamon, cloves, nutmegs, pepper and clove bark could be easily introduced into Balambangan from Sulu and adjacent islands which grew them. This meant exploring and discovering places which produced spices but which had no connections with the Dutch settlements.

A voyage to New Guinea which lay to the eastward and obviously outside of the Dutch limits was thus ordered from Balambangan by its chief, Herbert.[3] The man picked to command the expedition was Captain Thomas Forrest, who had served briefly in Fort Marlborough before joining Herbert on his way to establish the settlement. This voyage, which lasted twenty months, took him through the Moluccas, Sulu, Mindanao and the islands to the south-west of Sulu. Forrest left a wealth of information

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English ships, a man-of war and a frigate were believed to have come to the settlement and to have been driven away by Governor Ignacio Andrade. Marques de Ayerbe, Sitio y conquista de Manila por los Ingleses en 1762, Zaragoza, 1897, p. 15.

1 On March 18, 1764, the Manila Board delivered to the Spanish deputies meeting with them on the restoration of the conquests their "orders to Ensign J. Durand (or in case of his death or absence, to Serjeant Labonte) at Mindanao for restoring any places he may have taken there". Man. Cons., V. 9, p. 68-9.

2 Abstract Separate Letter to Bombay relative to Balambangan, sent per Britannia, in Personal Records, V. 10, f. 261-3.

3 "The Memorial of Captain Thomas Forrest to the Court of Directors of the East India Company", Orme Collection, Various, V. 88, f. 193-200.

about the places he visited, but of these we shall interest ourselves only in Mindanao.[1]

His vessel, called the Tartar, was a Sulu proa, of a mere ten-ton burthen. A small vessel of this type was not only extremely navigable in those narrow seas but was also highly suited to the crew he was taking with him. Most of them were Malays, "or natives of those islands that lie east of Atcheen Head". He took on board only two Europeans, as he believed more of them would surely get into quarrels with the Malays.

On November 9, 1774, the Tartar galley was rowed out of the north-east harbor of Balambangan.

On May 5, 1775, she entered the river Pelangy [Pulangi],[2] and early the following morning came abreast of the fort of the Sultan of Mindanao. At this point, a man, whom Forrest had known at Balambangan, came aboard and told him of the taking of the English settlement there by the Sulus.

Forrest was welcomed to the Moslem Kingdom of Mindanao [the present Cotobato] by a brother-in-law of Rajah Moodo, the latter, a nephew of the sultan and heir-apparent to the throne. This man seemed to wield a greater influence and power than his uncle,[3] and with him Forrest quickly

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1 The source of the subsequent account is Forrest's published memoirs A Voyage to New Guinea and the Moluccas, etc., cited above.

2 Forrest undoubtedly meant the "Mindanao river", which he accurately placed in subsequent paragraphs of his Voyage. Pulangi is a river in the interior which reaches all the way to the north.

3 From the letters addressed to the British King and the Company by Rajah Moodoo and his father Fakymolano, it appears that the aging sultan had given up "all command and authority into the hands of Rajah Moodoo". See infra.

ingratiated himself.

During his stay in Mindanao, Forrest found that the island produced "much gold and wax" besides "an excellent kind of cassia," or cinnamon. He was then struck with the idea of an English trading base here, some small island near the mainland, "which shall have behind it a harbour, and on it room sufficient to establish a fort and warehouse". The island Ebus, or Bos, twenty miles from Mindanao River, seemed to him to be the right one. Furthermore, he was told that he could have a grant of it, together with a portion of the opposite mainland. But when he saw the island of Bunwoot [now called Bongo], which faced the river and formed the shelter to Polloc harbour, he thought differently, yet did not dare ask for it, "apprehending the favour would be too great".

To his satisfaction, Rajah Moodoo made an offer of the island. On September 3, 1775, Forrest was summoned by the sultan, and informed that he, his elder brother Fakymolano, Rajah Moodoo, and all their relatives had agreed to grant Bunwoot island to the English Company. The document was signed and sealed on September 12, 1775. This was in turn forwarded by Forrest to Herbert, who, following the loss of Balambangan, had transferred the settlement to Labuan, an island off north Borneo.

On the 8th of January, 1776, Forrest left Mindanao, accompanied by two of Rajah Moodoo's soldiers. He bore with him two almost identical letters from Rajah Moodoo and his father Fakymolano, one addressed to the British King[1] and the other to the Company,[2] each accompanied by a

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1 "Sultan of Mindanao [Sic] to the King [of Great Britain], 15 June 1775". In the original Arabic. "Received 8 March 1777 from Mr. Roberts, Chairman of the East India Company". Home Miscellaneous Series [hence-

box of cinnamon "as a token of what is produced in quantities in [their] dominions". The English were offered any island in the Mohammedan Kingdom on which they might settle, build a fort, and mount as many guns and soldiers as they pleased, together with a strip of the opposite mainland measuring 1,000 fathoms along the seashore and 1,000 fathoms inland.

Four years later, in 1780, Forrest was again mentioned in connection with a proposed expedition in the south Pacific which was to rendezvous at Mindanao and set up a settlement there.

As before, whenever a war seemed imminent, the Company Directors chose a Secret Committee from among themselves, generally the Chairman and the Deputy Chairman, to consult with the King's Ministers relative to naval or military operations. France had flung down the gauntlet by entering into a treaty with the rebel American colonies. Before long, Spain would follow suit and make common cause against England. Under these circumstances, the Company's concern turned on the safety and security of their Eastern settlements and trade. Their fear of Spain sprang from the presence of Spanish forces in the Philippines capable of inflicting serious damage to the China ships. Thus they asked the King's Minister, Lord Weymouth, to allow them to authorize their Indian settlements to commit hostilities against the Spaniards.[3]

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forth to be abbreviated as H.M.S., V. 138, 495-7.

2 "Translation of Fakymolano and Rajah Moodoo's letter to the Honorable Company. In Chairman and Deputy Chairman's... 19 August 1780". Ibid., V. 146, f. 143-5.

3 Letter from the Committee of Secrecy to Lord Weymouth, 12 June 1779, inclosing draft instructions to the Presidencies in India. Ibid., V. 143, f. 193-8.

The reply was a summons to the Secret Committee to appear before Lord North, head of the King's Government, who laid before them a proposal for an expedition to South America.[1] A body of 1500 British troops with 2000 Mohammedan Lascar Sepoys was to sail from Madras in May the following year on board armed transports or old East-Indiamen, escorted by a detachment from Sir Edward Hughes' squadron.[2] This expeditionary force would make for the Pacific coast of Spanish America, but on the way, it was to take possession of one of the Philippine islands and a spot on New Zealand for purposes of "refreshment, communication and retreat". From New Zealand, the armament would then sail directly to South America, where "there is not one place from California to Cape Horn, capable of resisting such an equipment, if properly provided and properly conducted". Military outposts were to be planted and fortified, but terms of independence should be open to native Mexicans, Peruvians and Chileans, no doubt in retaliation for Spanish support of revolutionaries in British North America. Meanwhile, on the Atlantic side, the home Government would effect a diversionary operation against Spanish imperial defenses.

The Company endorsed the project in principle, as expected, and then went into the customary committee meetings[3] to weigh the risks and advantages to their corporate interests which their joining in the

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1 Minutes of the Secret Committee, [18 July 1780], V. 3, f. 22.

2 "Proposal of an Expedition to South America by India, dated June 3rd, 1780, laid before the Cabinet by Lord North". Ibid., f. 23-5.

3 See Secret Committee Minutes of 18 July; 5, 8, 15, 19 Aug. 1780, Ibid., f. 22-53.

enterprise might entail. As in the previous expedition to Manila, their main concern was the safety of the Indian settlements, and now more than ever, the security of the China trade. In view of the "very gloomy aspect" of the situation in India,[1] the expedition to the south seas presented an opportunity of adding a "very respectable strength" to the force there, which otherwise could not be obtained. This strength was estimated at 2000 soldiers, one 64-gun ship, one 32, besides armed transports which would convoy ten or twelve of the Company ships to India.[2]

Their expectation was that when the expedition reached India and found the settlements in danger, it would be detained until such danger was over or had been removed.

Another prospect of the proposed expedition was the establishment of a principal "Further East Asian" settlement on Mindanao and of an auxiliary one on Celebes. Needless to say, the main attraction of the area was the cultivation and trade in spices. The auspicious beginnings made by Captain Forrest in Mindanao were recalled,[3] a country which was

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1 The situation in India was described by the Secret Committee as follows: "Our Bombay troops were totally and shamefully defeated. Ragobah, our friend and ally had been delivered up to the Poonah Government. The French, and as we were secretly informed, the Dutch, were courting an alliance with the Marattas. Hyder Ally appeared hostile; our situation on the Coast of Coromandel was very distressing. The settlement was in great want of money; our returning ships were in utmost danger, as we had ordered their rendezvous at the Cape, and a French Squadron was there to intercept them". Minutes of 8 Aug., ibid., f. 42.

2 "Sketch of a Plan", enclosure No. 8 in the minutes of 18 July. Ibid., f. 26-7.

3 Letters from the rulers of Mindanao to the British King and the Company, which were written as a result of Forrest's visit in that island, were reproduced and enclosed in the Secret Committee's

represented as being "too powerful to be subdued by the Spaniards" and as a convenient base for an attack on Manila and for obstructing Spanish commerce. In Celebes, the English had been earlier invited by the Bugis King to settle on his territory which adjoined Macassar and lay contiguous to the Spice Islands.[1]

Lastly, the projected armament would forestall any designs of the French and Spaniards to way-lay the trading ships plying in the China seas.

As to the Company's assistance in the project, an understanding was reached whereby they would provide two 40-gun ships and another of 20, along with a Sepoy contingent.[2]

However, in their letter of August 19th[3] to Lord Hillsborough, one of the King's principal Secretaries of State, the Company reneged on their former proposal and offered instead two ships of 20 guns each. As to the Indian force to go on the expedition, "they could not absolutely pledge themselves". They conceded that they should assist with 2,000 Sepoys, but they would not commit themselves further than to say that "they shall be granted if the affairs of the Company in India render it practicable without risking the safety of their possessions, and if the native troops

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Minutes of 19 Aug. 1780: "Letter to His Britannick Majesty from the Sovereign of Mindanao", and "Translation of Fakymolano's and Rajah Moodoo's Letter to the Honorable Company." Enclosures No. 18 and 19 f. 64-6. respectively, ibid., f. 61 - 6.

1 In 1768, the King of the Bugis offered Captain Carteret a portion of his territory on the sea coast on which the English could erect their settlement. Enclosure in the Secret Committee's Minutes of 19 Aug., No. 12: "Papers relative to Captain Carteret". Ibid., f. 67-9.

2 "Sketch of an Expedition to the South Seas", enclosure No. 9. Ibid., f. 28-32.

3 H.M.S., V. 146, f. 131-137.

can be induced to embark on so distant an expedition".

The cabinet, however, would insist on the number and size of ships originally agreed upon to be contributed by the Company.[1] This was conveyed in writing to the Secret Committee by Hillsborough, who categorically pointed out that those ships and 2,000 Sepoys from India were "absolutely depended upon by Government".[2]

The correspondence between Company and Government on the subject of the expedition also hinged on the stance to take with respect to the Dutch settlements in the East. The Company obviously toyed with the idea of exploiting the project to achieve their long-sought ends in that sector. They suggested rather obliquely that if their presidencies in India should find themselves "justified in attacking the Dutch", the proposed armament should be used first in the reduction of the Spice Islands on its way to South America. The reply of Government was a flat rejection of any form of hostility against the Dutch settlements which was not in retaliation to acts of aggression on the part of Holland. The King was at the moment at peace with the Republic; thus "the greatest caution should be used to prevent views of advantage and acquisition from misleading to violence, breach of faith and injustice."[3]

The Company would like further to make use of the occasion to collect a debt of £139,877, supposed to be due to them from the Spanish

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1 "Minute of Cabinet, Lord Amherst's, 31 Aug.,... Present Lord George Germain, Lord North, Lord Amherst, Lord Hillsborough". H.M.S., V. 146, f. 156.

2 Letter dated St. James', 7 Sept. 1780. Ibid., V. 147, f. 263-4.

3 Ibid., f. 264.

Court as a result of the capitulation of Manila in 1762. The Cabinet, however, would adhere to their hands-off policy with regard to the subject of the so-called Manila ransom, which obviously had caused some embarrassment to the King in his relations with the Spanish monarch. The Company then requested that any booty obtained from the expedition should be first applied to cover the said debt.[1] This was also denied, as we shall see later.

The Company's plan for a settlement on Mindanao was elaborated upon to suggest the size of force to be left there. A ship or two of strength and 500 soldiers, bolstered by an alliance with the sultan, "will not only be able to render any attack from Manilha abortive, but a sufficient force, perhaps a hundred men, may immediately be spared to make a settlement with the King of the Bugguese". Since Mindanao will be the rendezvous and serve as depot, repair station, and hospital, Government should bear all expenses previous to and during the expedition. As soon as the Company is settled there and upon the withdrawal of the Government's authority, all charges devolve on the former. As to Celebes, all expense incurred subsequent to the landing of the troops shall be borne by the Company.[2]

To assure their settlement in those two islands, the Company requested a letter from the King recommending them to the sultan of Mindanao, also an authorization from him to his commander to open a

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1 To Hillsborough from Lau. Sulivan, Deputy Chairman of the Company's Court of Directors, East India House, 12 Sept. Ibid., V. 147, f. 277-281.

2 Ibid., f. 278.

negotiation with the Bugis King on behalf of the Company.

An agreement was drawn and signed on September 30th by Government and Company who undertook jointly to carry out the proposed expedition to the South Seas.[1] The former carried their points with respect to the Company's contribution of force and claim to a share of the booty to the extent of the Spanish debt. This claim was waived in favor of the Company's military contingents joining the expedition in India.

The Company, on the other hand, was confirmed in their suggestions regarding the proposed settlements in Mindanao and Celebes. During the whole of the expedition, all the officers in the Company's service would be under the King's Commander, irrespective of his rank. However, upon the establishment of any new settlement or settlements, the Company's civil administration should appoint any of the Company's officers or servants to take military command thereof. This was an improvement in the Company's benefit over that which transpired in Manila during the invasion and occupation of the 1760's.[2]

In drawing up the Agreement, a difference apparently arose with respect to the point held and stressed by the Company as being most vital

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1 "Draught of an Agreement with the East India Company", ibid., f. 315-322, finalized into the "Agreement relative to the Expedition to the South Seas", dated London, 30 Sept., and signed Hillsborough, W. Devaynes and Lau Sulivan, ibid., f. 325-30. Cf. Letter from the Committee of Secrecy to Bengal, Fort St. George, and Bombay, dated London, 2 Oct. with Postscript dated the same day. Ibid., f. 478-86.

2 The King's Commander made the choice of the commandant to be left to head the garrison in Manila, and thus caused much altercation later. See chapter on the "Manila Invasion".

to their interests. According to the terms of the Agreement, the proposed armament should be detained for military service on the Indian settlements if these were found "under the circumstances of an actual attack". In the Company's circular letter to the Indian Presidencies, dated October 2nd, the conditional clause was worded to read instead "in the circumstances of danger". This letter was read and evidently approved by the Cabinet on August 21st. The Company's Secret Committee then drew up the draught of agreement in conformity with the letter. When the draught came back from the Cabinet, it had been altered in the above mentioned clause. The Company raised an objection to the use of the words "actual attack" as being too limited in sense and proposed an explanatory article whereby a European enemy landing in India should be considered as an actual attack. The Secretary of State, however, rejected the proposal, but gave them to understand that the Commander-in-Chief of the expedition would be authorized to construe the clause liberally and postpone the expedition if he should find the settlements "in imminent danger of being attacked by an European enemy".[1]

The Company's confidential letter to the presidencies written on the same date as the circular letter was a recapitulation of their motives and objectives in joining the Government's project. It also demonstrated their adherence to the time-honored tradition of allowing their agents in India to make the final decisions as to whether or not the Company's force

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1 Postcript to the "Confidential Letter from the Committee of Secrecy to the Governor General and Council in Bengal and to the Presidents and Select Committees at Fort St. George and Bombay, dated 2 Oct. 1780". Minutes of Secret Committee, V. 3, f. 125-6.

should be diminished by an expedition abroad and also with respect to the establishment of new settlements. Finally, it affirmed the Company's right to commercial monopoly over the projected settlements by virtue of the charter granted to them by the King.[1]

The proposed expedition to South America by way of India was, however, abandoned before it got underway. Another expedition to be directed by Commodore Johnstone was contemplated by the Cabinet, with Montevideo as the ultimate target. In the plan, the Company's ships were to accompany the attacking force to help carry the troops and to add to the impression of enormous strength. The Company resisted this scheme as risking their Indian settlements and China ships.[2]

This plan was also rejected upon the declaration of war against the Dutch, the opportunity long awaited by the Company. At last, they could get their hands not only on the Moluccas Islands but Ceylon as well. Their proposal was a dovetailing of the Company's economic interest in territorial acquisition with Government's strategic considerations. The armament should attack the Cape of Good Hope first, then head for Madras, where the expedition as planned by Colonel Fullarton was to be launched. On the way to South America, the armada should reduce Ceylon, then the Moluccas island, using Mindanao as rendezvous, and finally make for South America.[3]

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1 Full text of confidential letter, 2 Oct. 1780, ibid., f. 114-24.

2 "Minute by the Deputy Chairman" [n.d.], ibid., f. 1 - 5.

3 Ibid.

On December 26th, a letter was received by the Company from Hillsborough laying aside all previously proposed expeditions involving aid from the Company, and announcing Government's new plan to attack the Cape of Good Hope with 3,000 men from the King's forces.[1]

Thus were English ambitions to strike at the heart of the Spanish colonial empire from the rear, by way of the South Pacific, laid aside. Thus ended also the Company's schemes for settling on Mindanao.

The next British design against the Spanish colony in the East involved an attack on Manila. This was to be a repetition of the successful one of 1762, but to be carried out on a much larger scale. Like the earlier expedition, that proposed in 1797 was the result of the outbreak of war with Spain.

The Company's governments at Bengal and Madras had earlier anticipated this rupture on the European front and initiated a discussion of the possibilities of an expedition against Manila.[2] As before, a breach with Spain meant the strategic necessity of attacking Manila, whence, in the minds of the Company's Directors in London and their representatives in India, "an active enemy might destroy the China trade".

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1 At a Committee of Secrecy, ibid., f. 7-8

2 President Hobart of Fort St. George appears to have written to Governor-General Shore of Bengal on 13 Dec. 1796, stating that he had reasons to expect orders for an expedition against Manila. From advices received from a certain Wickham at Bern, war between England and Spain seemed highly probable. Shore's reply of 2 Jan. explored the feasibility of an expedition against either Manila or Batavia. See further correspondence on the subject between Hobart and Shore, in President Hobart's Minute in Council on 21 March. Madras Secret Proceedings, V. 4, f. 273-94.

The preliminary discussion revolved on how to raise the force necessary to make the attack. It was agreed that Madras should provide the main body of troops, with Bengal assisting as much as possible to insure success. Moreover, the troops destined for either the Cape of Good Hope or Europe should be detained and prepared for the intended service. Meanwhile, information should be obtained with regard to the military strength of the Spaniards in Manila.[1]

On February 27th, 1797, the subject was explored by Governor-General Shore, who was at Lucknow on leave, with Vice-President Speke, who was acting in the Governor's place at Fort William.[2] By that time, however, it was too late to fit out an armament which would reach Manila before the rainy season. It was thus decided to wait for further news and instructions from Europe before preparations for such an attack should actually begin. In the meantime, Lord Hobart, President of Fort St. George, would inquire further into the matter while consulting with Admiral Rainier, Commander of the King's naval forces in the East Indies. Also, Admiral Pringle, commanding at the Cape of Good Hope, would be asked to estimate the amount of naval assistance which it would be possible for him to give if the expedition was ordered to be carried out.

As had been predicted in the Indian settlements, war was declared

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1 Vide, Bengal Secret and Separate Consultations [2 Jan. 1797], V. 44, [n.p.].

2 Enclosure No. 8, "To Peter Speke, Vice-President in Council, Fort William, from the Governor-General, J.Shore, Lucknow, 27 Feb. 1797." Ibid. [24 March].

between Spain and England and orders[1] were sent from London to India for an assault on Manila. As in 1762, the attack was not to be attempted if the British possessions in India were or would be in danger.[2] The attack was further made conditional on the state of the conquests recently made from the Dutch, particularly Ceylon, Cochin, and Malacca, which should be defended and preserved in English hands.[3]

Also, like the previous expedition, the proposed one was an imperial rather than a local necessity. The Government in London was anxious to seize a possession so vital to Spain as to compel the latter to come to terms in Europe. The difference lay in the fact that now the Company seems to have been moved by patriotism rather than the usual prosaic

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1 Orders of this kind to the Indian Presidencies emanated from the Committee of Secrecy of the Company's Court of Directors, consisting in practice of the Chairman and Deputy Chairman. Since the enactment of Pitt's India Act of 1784, a Board of Control, composed of six unpaid privy councillors, passed on all despatches to India which were of a political or military nature, and could even send orders on its own without the Directors' consent. The Secret Committee, nevertheless, continued for sometime to exert a strong influence on the Company's external policy, resisting attempts to turn it into "a mere ministerial instrument." Vide, C.H. Philips, "The Secret Committee of the East India Company, 1784 - 1858," reprinted from the Bulletin of the School of Oriental and African Studies, Vol. X, Part 3, 1940-2.

2 The responsibility for launching the attack was not fixed on any one of the presidencies, unlike the expedition of 1762 which was ordered to be undertaken by Fort St. George with assistance from Bombay and Bengal.

3 See "Most Secret to the Governor-General and Council at Bengal and the Governors and Councils at Fort St. George and Bombay." This was a draft letter drawn up by the Secret Committee, composed of D. Scott, H. Inglis, and J. Manship, and approved by the Board of Control comprising H. Dundas, W. Pitt, and E. J. Eliot, at Whitehall, on 9 Nov. 1796. The letter in conformity with the draft and despatched to India was signed by the Secreta Committee at East India House on 11 Nov. Board's Drafts of Secret Letters to India, V. 2 [n.p.]. Cf. Board's minutes of 9 Nov. in Secret Minutes of the Board of Control, V. 10 [n.p.].

considerations of trade expansion. For many years, since Clive's military exploits in Bengal, circumstances had been reshaping the character of the Company's rule in India. It had become a territorial sovereign, a far cry from the trading corporation chartered by Elizabeth I in 1600. Taken up by politics and the cares of government, it had abdicated most of its commercial prerogatives.[1] Thus its interests were now more closely linked with those of the State and the King's Government.

The size of the attacking force to be sent on the expedition was to be determined beforehand by the officers in command of the King's and the Company's troops in India. The main body should consist of Indian recruits; the greater their number the greater the "saving" in Company and royal troops. Thus care should be taken not to create "the smallest dissatisfaction" among any of the Company's native troops.

Expectations of success for the expedition were very high. Viewed from Europe, Spain's capacity to reinforce her strength in the Orient to any material degree was very limited. Even if proper precautions had been taken to put the Philippines in a defensive posture, the English would still be at an advantage. The forces at their command were greater and were within easy reach of Manila, from India. Affairs in the Indian settlements were under control; there was no immediate danger to English

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1 See C. H. Philips, "The East India Company 'Interest' and the English Government, 1783-4," reprinted from the Transactions of the Royal Historical Society, 4th Series, Vol. XX, 1937; idem., The East India Company 1784 - 1834, Manchester, 1940; Lucy Sutherland, The East India Company in Eighteenth Century Politics, Oxford, 1952.

authority requiring undivided attention.[1] Indeed, conditions were more favorable now than in either 1762 or 1780. Moreover, a reinforcement was promised by the next ships from England, which would bring the number in the King's regiments in India up to 1000 rank and file each.

The orders for attacking Manila reached Madras and Bengal on the 18th and 24th of March respectively. On March 21st[2] and April 21st,[3] the Secret Department at Madras met to consider proposals for the expedition and to draw up the plan of attack. The most tricky part of this job proved to be the determination of the size of the fighting unit.

From the intelligence received by Lord Hobart with regard to the military strength in Manila, there was no formidable opposition awaiting the English there.[4] The Spaniards had a regiment of 700 "Americans" (Mexicans), 300 cavalry, and 16,000 militia. The regiment was "good," the cavalry "a mere rabble," while the militia had been recently raised, "undisciplined... badly officered... composed of natives of the country... not deemed well affected towards the Spaniards." To meet this force, Hobart deemed it necessary to send from 5000 to 6000 troops, half of whom should be Europeans and supported by a "respectable" naval armament.

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1 The Bengal Government's view of the situation in India boiled down to this: That they had nothing to fear from the Marattas and the Nizam. Tipu did not constitute a threat without the aid of a large French force. They did not believe that either the French or the Dutch were prepared at this time to retake captured colonies. "Bengal Letters," [5 April 1797], H.M.S., V.606, f.448.

2 Madras Secret Proceedings, Vol. 4, f. 273-94.

3 Ibid., f. 312-16.

4 To Shore from Hobart, 25 Jan., read in Secret Consultation of 21 March. Ibid., f. 279-82.

The Bengal government, on the whole, was more cautious in its approach to the problem at hand and with respect to the entire expedition. The military commander, for instance, was sceptical of the information that had been reaching the English regarding the state of the fortifications, the military equipment, and the troops at Manila. This information he regarded as too vague to enable anyone to estimate the exact force which would be required to take the place. He was particularly worried about the naval armament which had recently arrived in the city,[1] the improvements which might have been done on its defensive works since the last invasion, and the possibility of a union of the French squadron in the East with the Spanish fleet in Manila.

The safest course open to the English was to make the attacking force as large as circumstances would permit. General Clarke estimated that 7,500 fighting men would ensure a safe margin of success.[2] This was about 2,000 more than that proposed by Hobart and would mean a corresponding, substantial reduction in the force remaining to protect the Coromandel Coast. As a compromise, it was agreed to adopt the figure suggested by the Commander-in-Chief at Fort St. George, which was 7,000.[3] This was

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1 The naval force in Manila was reported to consist in the preceding January of three ships of the line and five frigates; but "from the length of time they have been from Europe and the general mismanagement of their ships, their situation is supposed to be indiffernt." See letter from Bombay, 8 March, H.M.S., V. 606, f. 461.

2 Minute of Lieutenant-General Alured Clarke together with the returns and statements mentioned in it. Bengal Sec. and Sep. Cons. [7 April], V. 44, enclosures nos. 5, 6, 7, 8, 9, 9A.

3 Memorandum of Lt.-General George Harris, laid before Council on 21 April. Madras Sec. Proc., V. 4, f. 316.

more than twice the fighting force brought against Manila in 1762.

Of the proposed number, Bengal was to provide a European regiment of about 800 men and an Indian marine battalion of 500. Madras, on the other hand, would supply the rest, or some 5,700 men. To bolster their contribution, the Bengal administration undertook to provide most of the ships necessary to transport the troops and stores from both settlements. They pledged for that purpose the full-armed and dismantled ships in the settlement, two extra ships, and all the country vessels at port.[1]

It should be noted that the planning and execution of the project fell mainly on the Madras presidency. A similar expedition was successfully launched from the settlement in 1762, and no doubt valuable lessons could be drawn from that experience. The Madras government, in fact, showed great enthusiasm at the beginning to get the projected expedition under way. Later, however, when the Supreme Government at Bengal thrust upon them the ultimate responsibility for the project, they began to balk and were only too eager to shirk it.

Other factors had helped to cool the enthusiasm of the Madras Administration for the proposed expedition. News had arrived of Lord Cornwallis's appointment as Governor-General and Commander-in-Chief in India. This was construed as reflecting the royal Government's new attitude toward affairs in India, particularly with respect to the

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1 A total of about 25 ships. Cf., Vice-President Speke in Council, Beng. Sec. and Sep. Cons. [7 April], V. 44, No. 2 enclosure; ibid. [24 July], enclosures nos. 1 - 19, giving details of the embarkation; letter from the Secretary at Bengal to Fort St. George, 7 April, Mad. Sec. Proc., V. 4, f. 314-5.

Bengal Army.[1] Within this context, it would appear imprudent to withdraw any of the King's troops from Bengal before the new appointee's arrival, since he might need them to accomplish his objects, "whatever they may be." Thus Hobart suggested that the expedition should wait until Cornwallis arrived and decided whether or not it should proceed.

Furthermore, the promised reinforcement of 5,000 recruits from England had not arrived. In the experienced voice of the Commander-in-Chief at Madras, if the reinforcement did not arrive and the forces proposed for the expedition were detached, the presidency would have "great difficulty in collecting even a small army on any sudden emergency."[2]

Governor-General Shore himself had shown a half-hearted interest in the project. While agreeing to it verbally, he was entertaining the idea of diverting it from Manila to Batavia.[3] On July 14th, Hobart gave him to understand that since it was uncertain when Cornwallis was arriving, the Governor-General was being depended upon to make the final decision as regards the launching of the Manila expedition.[4] Shore's reply of the 23rd following was an exhaustive inquiry into the political situation in the Indian settlements, on the basis of which he believed that the expedition should proceed.[5] But he avoided the question of ultimate

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1 Hobart interpreted Cornwallis's appointment as Government's measure "to put an end to the agitating spirit in the Bengal Army, for which... the most serious apprehensions are entertained at home, and to enforce their ultimatum with respect to the Military Arrangements." See letter to Shore, 14 June, read in Cons. 8 Aug. Ibid., V. 5, f. 409-14.

2 Minute of Lieut. Gen. George Harris delivered in Cons. of 1 Aug. Ibid., V. 4, f. 391-4.

3 See Rainier's letter to Hobart, 22 June; idem to Shore, 21 June. Ibid., V. 5, f. 429-37.

4 Ibid., f. 437-44.

5 Ibid., f. 444-537.

responsibility for the project.

Three days later he reiterated his opinion that the expedition should be carried out.[1] But he was giving the Government of Fort St. George full powers to countermand the expedition if previous to the departure of the armament, they should receive any fresh intelligence of preparations by Tipoo,[2] or of reinforcements reaching Manila, or of French and Dutch forces being dispatched to India.

Lord Hobart was chagrined. The Supreme Government was retreating from what was inherently its responsibility and was passing it on to the Madras presidency. The Governor-General himself delineated the gravity and delicacy of the responsibility in view of Tipoo's reported new movements. "If the intelligence should be in any degree exaggerated or altogether ill-founded, by countermanding the departure of the troops we expose ourselves to the consequences of having stopped the expedition upon ill-grounded apprehensions. If, on the contrary, it should prove true, and Tipoo should have actually formed a determination to attack the Company, we expose ourselves to a more serious consequence from diminishing the forces for its protection and from the absence of His Majesty's fleet."[3]

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1 Letter read in Madras Secret Cons., 11 Aug. Ibid., f. 553-7.

2 Tipoo [or Tipu] Sultan was the ruler of Mysore, the resurgent Hindu state in the South. He and his father, Haidar [Hyder] Ali had had border clashes with the Company at Madras and the latter's allies. They found ready and effective support in their military plans and operations from the French, a fact which heightened the threat against English interests. Vide, W. Cooke Taylor, A Popular History of British India, etc., London, 1842; Vincent A. Smith, The Oxford History of India, Third edition.

3 Letter from the Governor-General in Council to Fort St. George, 4 Aug., enclosing Shore's Minute. Read in Cons. of 18 Aug., Madras Sec. Proc., V. 5, f. 576-88.

Lord Hobart was irked particularly by Governor Shore's preoccupation with Tipoo's doings and designs. The reports[1] which the Governor seemed to be giving much credence to were dismissed by Hobart as either unfounded or exaggerated. Going meticulously over the problem of security in the Indian settlements, he concluded, with his Council in agreement with him, that the preparations for the expedition should continue and the campaign be launched. It was further agreed that if the fleet found it too late to take the direct route to Manila, that is, via the south China Sea, it should go by way of the Straits of Balabac and Mindoro Sea, the passage which was first explored by Dalrymple for the English.[2]

The Madras Presidency proceeded to draft the instructions which would serve as a guide to the commander[3] of the expedition. The final instrument is remarkable in one respect. All civil and military authority was to be vested in one person, the chief commanding officer of the campaign. The only exception to this authority was in revenue and commercial matters, but even in these he could interfere "if urged to it by the strongest necessity."[4] This concentration of authority in one

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1 The latest intelligence regarding Tipoo was received from Capt. Macleod and Major Daveton and transmitted to Bengal from Madras on the 15th and 17th of July. It obviously bore much weight in the Governor-General's framing of his minute of 4th Aug.

2 President Hobart's Minute in Council, 18 Aug. Ibid., f. 590-8.

3 The command of the expedition was first given to Major-General Braithwaite. Upon his appointment to the deputy-governorship of the Spice Islands, Sir James Craig was chosen to take his place in the proposed expedition. Secret Cons. of 21 April and 11 Aug. Ibid., V. 4, f. 317, and V. 5, f. 560-1

4 Draft of instructions to Sir James Craig approved in Cons. of 15 Aug. Ibid., f. 568-75.

person was in contrast with the principle of government adopted in Manila during the invasion of 1762. The council form of government which had been the standard administrative structure in the settlement of new territories had disappeared. Gone too was the traditional scruple in distinguishing and separating military from civil authority. The disastrous political muddle which characterized thelast invasion was a hard-learned lesson in divided authority and was being avoided in the present one.

Also of some interest is that part of the commander's instructions prescribing the method of dealing with the conquest and its native inhabitants. Here again, the influence of the 1762 experience may be felt. Any capitulation which might be entered into with the Spanish Governor at Manila for the surrender of this city should include the whole Spahish possession in the Philippine islands. Every effort should be made to conciliate the inhabitants, promising them freedom of religion, "the most extensive encouragement to their commerce," and all the advantages "enjoyed by those who have the happiness to live under a British Government." A proclamation to this effect should be made immediately upon making a landing on the Spanish colony. There was an obvious advantage in this policy of appeasement and attraction, but as the invasion of 1762 demonstrated, the sword had as much appeal to the natives as a free and orderly way of life.

It was agreed that the forces from Bengal and Madras should rendezvous at Penang. On July 26th, five armed Indiamen and nine transports

were scheduled to leave from Bengal.[1] These did not sail, however, till 9th August.[2] On the following day, a violent gale arose, wrecking two ships on the sands and damaging two others. The disaster resulted in the loss of large quantities of provisions, guns, and ordnance stores.[3]

Of the nine ships which Bengal was to have sent to Madras to embark the troops and stores there,[4] only four were actually dispatched.[5] Of these, three arrived at their destination two weeks after the appointed time, thereby holding up the Admiral's Squadron which was to accompany them to Penang. Moreover, they arrived in such shattered condition that they were declared unfit to go on the expedition.[6]

On August 21st, the first division of the armament proceeding from Madras sailed for the rendezvous, eleven ships in all. On the 28th of the same month, the second division was to have made its departure for the same destination.[7]

The schedule set for the entire expedition had already been stretched

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1 Bengal Sec. and Sep. Cons., [7 and 10 July], V. 44.

2 Ibid. [11 Aug.]. No 1-31 enclosures, regarding the fleet and its departure.

3 Ibid. [21 Aug.]. No. 1: To Shore from Leger, on board the General Goddard, Sanger Roads, 12 Aug.

4 Letter from Shore to Rainier, 26 May. Madras Sec. Proc., V.4, f.378-81.

5 Beng. Sec. and Sep. Cons. [7 July], V. 44, No. 4: List of ships with their tonnage to proceed to Madras.

6 "Madras Letters," H.M.S., V. 606, f. 441.

7 Ibid.

to the limits of safety. The entire armament was supposed to have arrived in Penang by the 20th August, whence it would have just enough time to make a safe passage directly to Manila through the China Sea.[1] After all the delays and with the approaching seasonal bad weather, it was deemed dangerous to take the direct route. The alternative one, round Balambangan island, was thus considered.[2] However, when asked to comment on the feasibility of this route, Admiral Rainier suggested deferring the expedition till the next favorable season.[3] Meanwhile, Major-General Craig, who was to head the expedition, had been alluding to the use of the armament for objects "other than Manila."[4] This view was shared by the Governor-General who,as we have seen, had proposed an attack on Batavia instead. Even Rainier, who had pledged naval support to the Manila expedition to the extent of all the ships under his command,[5] seemed to be wavering from his original intent, suggesting as he did the deployment of the armament to include Macassar and Ternate among its targets.[6]

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1 See "Memorandum for Mr. Bristow, Acting President, Board of Trade." Beng. Sec. and Sep. Cons. [17 July], V. 44.

2 Mad. Sec. Proc. [18 Aug.], V. 5, f. 598.

3 Ibid. [22 Aug.], f. 614-9.

4 Letter dated 17 Aug., ibid., f. 612-3.

5 See Rainier's letter to Speke, dated on the Suffolk, Madras Road, 21 March. Read in Cons. of 3 April [no. 3 enclosure], Beng. Sec. and Sep. Cons., V.44

6 Idem. to Shore, 10 Aug., read in Cons. of 4 Sept. Ibid.

But Hobart was averse from either the diversion or the deferment of the expedition.[1] He preferred that all the troops should return to their respective stations, leaving a sufficient force with the Admiral with which to attack the ships at Manila.[2]

On August 28th, the Madras government received a despatch from Bombay advising them of a report which had arrived from Constantinople of the conclusion of peace between the German Emperor and the French Directory.[3] This was the cue Lord Hobart had been waiting for to get him out of a delicate situation. The new political development in Europe was sufficient cause, perhaps an excuse, for him to abandon the Manila project altogether. Admiral Rainier, Sir James Craig, and Lieutenant-General Harris all appear to be in agreement with him to countermand the expedition. With the Madras Board also concurring, orders were quickly issued recalling all the forces which had embarked from both Bengal and Madras for Penang.

With bureaucratic thoroughness, Lord Hobart went on record to explain the circumstances and arguments behind the relinquishment of the Manila project. The conclusive point in his statement[4] was that the late

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1 In letter to Craig, 23 Aug., Mad. Sec. Proc., V. 5, f. 620-1

2 Hobart earlier consulted with Rainier on the advisability of sending a naval force to attack the Spanish ships in Manila Bay. This was to be a secondary operation in the general campaign to capture the city of Manila. See Hobart's letter to Rainier, 28 June, and Rainier's reply, 12 July, read in Cons. of 8 Aug. Ibid., f. 414-23.

3 Diary, 28 Aug., ibid., f. 633-5.

4 Ibid., [29 Aug.], f. 639-49.

reconciliation between Germany and France would lead to either a general peace in Europe or an intensification of hostilities, particularly in India. In the first case, Manila would have to be returned to Spain in accordance with established diplomatic precedents, thus rendering the expedition, if it were carried out, as an unnecessary expense. On the other hand, if peace should not have been concluded between England and France, the departure of the proposed expedition would leave the Indian settlements open to a renewal of hostile activities by an enemy now relieved of a continental war.

Winding up his long exposition, he suggested the kind of relationships which he deemed to be to the best interest of England and Spain if initiated and maintained between their respective possessions in the East. His suggestions were on the same theme as that successively played upon in the past four decades by Englishmen of experience in Eastern affairs. Manila and the British East Indies should be opened to reciprocal commerce on terms of mutual benefit to the governing nations. The exchange should consist essentially of manufactures from England and the agricultural products of the Philippines. This commerce would particularly benefit the treasury at Madras by the expected yearly remittances of specie from the Spanish colony.

Thus ended another project against Spanish dominion in the East.[1]

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1 When advised of the cancellation of the expedition, Admiral Rainier remarked that he did not think it advisable at the moment to attempt the destruction of the Spanish naval force in the Philippines. Earlier, he had urged the adoption of this measure when he felt that the expedition might be laid aside owing to the many delays in its preparation. Cf., H.M.S., V. 606, f. 456, and Rainier's letter to Shore, 10 Aug., read in Cons. of 4 Sept., Beng. Sec. and Sep. Cons., V. 44, encl. no. 1.

Judging from the magnitude of the force proposed to go on the expedition, the outcome might have been a favorable one for the English. The entire armament involved a fighting strength of 7,060 men, divided between 3,040 Europeans and 4,020 Sepoys, besides the ships' complement, Lascars, pioneers, and followers. The whole, with baggage, stores, and six months' provisions, was to have been conveyed in twenty-five transports, supported by ten or twelve ships of war.[1] Compared to the expedition of 1762, the proposed one would have looked truly formidable.

The Spaniards in Manila, on the other hand, appear to have been ill-prepared for such a major attack. An English sea-captain, whose frequent business visits to the city gave him some first-hand knowledge of its military situation, later attested to the minor alterations made on the fortifications since the last assault. He further maintained that the Spaniards had not intended to stand out at the fort, but to retreat into the interior, where their knowledge of the country would make up for their military deficiencies and enable them to keep up a protracted guerrilla warfare. They had in fact embarked the city's "riches" for immediate transport to the Laguna at the first sign of enemy attack. From here, the treasure would be conveyed to the mountains to be buried there or to the east coast of Luzon for shipment to places of safety.[2] In other words, the Spaniards had planned to do what they did during the

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1 See overall figures in H.M.S., V. 606, f. 462-3.

2 Memorandum from Captain Lindsay transmitted with R.I. Farquhar's letter to Wellesley dated Fort Cornwallis, 6 Jan. 1804. Bengal Secret and Political Consultations [18 July 1805], Range 166, enclosures no. 15 and 16.

British occupation in the 1760's and which turned the balance of fighting ultimately in their favor.[1] The English, knowing this, might well have drawn their own lessons from the same experience.

The last British project in the Philippine area which falls within our period and winds up this study is the Balambangan settlement of 1803 - 1805.

The direct impetus to the restoration of the English settlement in that island was the treaty of Amiens of 1802. The treaty provided for the return of Malacca and the Moluccas by the English to the Dutch. The English Company had painfully anticipated the restitution of those Dutch territories won by British arms in the last war. Set on maintaining a foothold in the area, they issued on April 22, 1801 their oft-repeated injunction to their Indian presidencies to establish a settlement amongst the Malaysian archipelago.[2] Their choice was Gebi, one of the islands which were occupied by Lieutenant McCluver in 1794. They suggested that the island should be acquired by purchase from Newco,[3] an avowed

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1 See Fr.Joaquin Martines de Zuniga, Estadismo de las Islas Filipinas, written in 1805 and published by W.E. Retana in Madrid, 1896. It is an account of the author's travels over the Philippines in the year 1800 in company with Don Ignacio Maria de Alava, the commander of the squadron sent in 1796 from Spain to Manila to defend the latter against any attack by the English. The purpose of the travel was to familiarize the Admiral with conditions in the colony, and the author had many occasions to draw parallels with the military situation in the islands during the invasion of 1762. It should be noted that before writing his History of the Philippine Islands, Zuniga grounded himself particularly in the documents relating to the English invasion and occupation of Manila.

2 General letter from the Court of Directors in the Political Department, 22 April 1801 [extract], in Bengal Foreign Consultations, V. 80, [31 March 1803, enclosure no. 2].

3 Newco had been a disgruntled chieftain under the Dutch regime. When the English came, he quickly took their side, overthrew the reigning

English partisan.

Meanwhile Robert Farquhar, English governor at Amboyna, was concluding separate treaties of peace, commerce, and alliance with the sultans of Tidore, Ternate and Batchian.[1] These negotiations had the effect of recognizing those Malay chieftains as independent monarchs, and as such they possessed the right to give a grant of any of their territory. The Sultan of Batchian, as a matter of fact, "made a present" of the island of Ouby Major to the English Government.[2]

The Treaty of Amiens, however, posed the question of the legality of the grants of Gebi and Ouby Major, or of whether under the unqualified restitution of the Dutch settlements, the British Government had the right to retain any of the islands ceded to them by the Malay sultans, one of whom was a usurper under the Dutch law while the other two were former vassals of the Dutch.[3]

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sultan at Tidore, and proclaimed himself ruler of the island, receiving recognition of his new position from the English. Thus when asked for a formal grant of Gebi, he readily gave it to the English officer commanding in the Moluccas. Extract of Lieut.-Col. Oliver's letter to the Court of Directors, Amboyna, 7 March 1803. Boards Collections, V. 159 [2769].

1 For copies of the treaties, see Beng. For. Cons., V. 80 [31 March, 1803 enclos. nos. 5, 6, 7, 8].

2 Extract of a letter from Lieut.-Col. Oliver to the Government of Fort St. George, 6 March 1802. Ibid. [idem. encl. no. 9].

3 The question was the subject of an extensive correspondence between the Company and the governments of Bengal and Madras. Vide, ibid., [idem, enclosures nos. 1, 3, 4, 9, 10, 11, 12, 17, 18, 30]; Board's Collections, V. 159, Nos. 2769 and 2770, passim.

The Bengal Government's verdict on the matter was that those grants violated the spirit of the Treaty and were therefore untenable.[1] Moreover, to legalize those grants would be tantamount to establishing a precedent which could be used later against the British possessions in India by rival colonial powers. The engagements entered into by Farquhar were declared null and the cessions of Gebi and Ouby Major relinquished.[2]

Evidently the Company's representatives in India no longer prized the Dutch spice islands as extremely vital to English commercial economy in the East.[3] They were expecting in fact the collapse of the spice monopoly long held by the Dutch and were looking forward to the complete liberation of spice cultivation and trade in particular and of Eastern commerce in general.[4] The needs of English trade could be satisfied

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1 The Government at Fort St. George evidently had a large say in the making of this decision. Vide, Letter to Wellesley in Council, 2 Nov. 1802, Beng. For. Cons., V. 80, [31 March 1803, encl. no.1]. Extract of Fort St. George Political Consultation, idem., Board's Collections, V.159, no. 2769; Extract of Foreign Letter from Fort St. George, 9 May 1803, ibid., no. 2770.

2 To R.T. Farquhar, from N.B. Edmonstone, Secretary to the Government, 15 March 1803. Beng. For. Cons., V.80, [31 March 1803, encl. no.30]

3 Measures had been taken to extend the cultivation of spices in India, and the Government at Fort St. George had calculated that those would have the effect of reducing the value of the Moluccas Islands, "to such an extent as to diminish the advantages to be opposed to the expense which must be expected to attend the formation and defence of a settlement in that distant quarter." Extract Fort Stl George Political Cons., 2 Nov. 1802. Board's Collections, V. 159, No.2769.

4 Farquhar predicted that "there never will be again a monopoly of spices such as the Dutch enjoyed in former times." Even if the Moluccas Islands were restored to the Dutch, the latter would not be able to preserve such monopoly on account of the "thorough insight" the English had gained into their navigation and trade in the East, to which the English were formerly strangers. "Extract letter from Farquhar... the Resident at the Molucca Islands, dated 3 Aug. 1801, to the Court of Directors." Ibid.

elsewhere. Balambangan especially could be re-settled without the risks of international complications. Acting in his usual audacious manner, Wellesley, Governor-General of Bengal, ordered the restoration of the Balambangan settlement, without previously consulting either the Company in London or the other governments in India.[1]

The choice of Balambangan island as the most suitable site for a British settlement in the Eastern Archipelago was based on the same arguments previously urged in its favor by Dalrymple and others. One interesting fact about the proposed "re-settlement" was the procedure prescribed by Wellesley for going about it. The acquiescence of the Sultan of Sulu in the "restoration" of the defunct settlement of 1773 was to be obtained as a necessary expedient and consequently might require some concessions on the part of the English. They should be granted provided they were not of such kind as would involve the English in future disputes or hostilities with the neighbouring native states. Furthermore, the Sultan should be made to understand that the validity of the Company's right to Balambangan did not depend on his consent, and that whatever concessions the British Government might be induced to yield "must be considered to originate exclusively in motives of regard for his interest."

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1 Wellesley's order addressed to Farquhar and signed by N.B.Edmonstone, was dated 15 March 1803. Full text, ibid., No. 2770. A letter of the same date was also addressed to Lord Clive, Governor-in-Council at Fort St. George and signed by the Governor-General-in-Council. The letter informed of the orders given by Wellesley for the restoration of the Balambangan settlement. Ibid. Later, it was indicated that there had appeared no record of Wellesley's orders amongst the Bengal Consultations received in London up to April 1804. Wellesley's plan was probably to withhold information of his orders until after they were carried out. Vide, Personal Records, V. 12, f. 269-71; also Add. MSS. 13,909.

As a finishing touch to the contradiction in the English position, Wellesley affirmed that "although the island of Balambangan has tacitly reverted to the dominions of Soolee, the claim of the Company to the possession of it has never been formally renounced and may therefore be considered to be still in force."

Farquhar, who had been commissioned to take charge of the restitution of the Dutch conquests, was to restore the Balambangan settlement during or after the performance of his principal mission.[1] At the head of a force calculated to make "a full impression on neighbouring European and local powers of the strength, consequence, and resources of the English on their first settlement"[2] in that area since 1775, Farquhar arrived in Balambangan on September 29th, 1803.

The site chosen for the new settlement was the very spot on which the first one was made in 1773.[3] The needs of the settlement were to be supplied by cultivation of the interior and the "extensive dependencies," the latter by the Dalrymple grant reached from the southern part of Sulu to the northern promontory of Borneo, with an estimated population of one million.[4]

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1 See Clive's letter to Wellesley, Fort St. George, 20 Jan. 1803; "Advertizement published at Fort William, 25 Feb.; and Instructions to Farquhar from Fort William, 15 March. Beng. For. Cons. [31 March 1803], Range 165, V. 80, [enclos. nos. 18, 26, and 30 respectively].

2 Letter to Wellesley [in Council] from Farquhar, Balambangan, 26 Nov. 1803. Beng. Sec. and Pol. Cons., Range 166, [Cons. 18 July 1805, encl. no. 12].

3 Idem, 16 Feb. 1804, ibid. [idem, encl. no. 23].

4 The area, called Felicia by Dalrymple, extended from the southern part of Sulu or Paragua to "Kimannees" and Sandakan Bay on Borneo, comprising

Everything augured well for the infant settlement. The climate was "extremely favorable." There was an abundance of good water, cattle, poultry, fish, and grain, enough to supply "ten-fold the needs of the settlement and also those of India in times of shortage."[1] In one month's time, 150 country ships had visited the port, while the number of settlers on the island had reached 1600 within the first few months.[2] The neighbouring country powers seemed pleased that the English had returned and re-settled amongst them. The chiefs of Sulu, Borneo and Mindanao, particularly, sent in "unbounded professions of friendship and regard," while their subjects "flocked" to the new settlement.[3]

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besides the islands Balambangan, Banguey, Balabac, Malawallee, and several other small ones. This territory, lying between 5°30' and 8°30' North Latitude, and from 115°30' to 118°29' East Longitude, formed part of the so-called Archipelago of St. Lazarus, which theoretically comprised also all the Dutch and Spanish settlements in the Philippine and Molucca islands. Farquhar's letter of 16 Feb. 1804, ibid. See also chapter on the first Balambangan settlement.

1 Ibid.

2 At the outset of the expedition, Farquhar engaged "a few settlers" at Malacca to proceed to Balambangan, besides "a number of every description of useful artizans and laborers" who were to be supplied from the Company's stores until they were settled. Letter to Wellesley, etc., 29 Aug. 1803. Ibid., encl. no. 6.

It appears further that Farquhar brought with him some convicts and that there was a plan to make Balambangan some kind of a penal colony, the Prince of Wales Island. Idem. Also Farquhar's instructions to Major Eales, 7 Dec. 1803. Ibid., Range 167 / encl. no.28 /. On 1 Sep. 1804, Major Eales, commanding at Balambangan reported the number of the Company's Bengal convicts on the island as 95 in all. Bengal Public Consultations, Range 6, V. 7 / Cons. 14 Feb. 1805, enclos. nos.35 and 36/.

3 The Sultans of Borneo and Magindanao made offers of territory to the English in the vicinity of their respective capitals, apparently to dissuade the English from settling on Balambangan and establishing close liaison with the Suluans, a militant and predatory neighbor. The Bornean chieftain proposed Labuan island where the first Balambangan settlement retreated after the loss of the latter. The Sultan of Magindanao offered Saranguine / Sarangani / which was close to the Moluccas. Farquhar, however, "civilly declined" both offers, thinking it best to concentrate the English force and to avoid clashing with the Dutch by being too close to them. Letter to Wellesley, etc., 16 Feb. 1804. Beng. Sec. and Pol. Cons. / 18 July 1805, encl. no.23 /, Range 166.

In fact the political relations between two of those rulers had played into the hands of the English. The Sulus and Borneans had been at war when the English arrived. The cause was ostensibly the "unprovoked murder" of certain Sulu ambassadors by the Sultan of Borneo. The incident revived the old-time dispute over the northern part of Borneo and adjacent islands. The Borneans claimed that those territories had been seized from them by the Sulus and that they were merely taking them back. This state of affairs gave Farquhar an unexpected opportunity for reasserting English rights to Balambangan without having to commit his government to the native authority. The war between the two kingdoms having apparently reached a draw, both the rulers were willing to abdicate their claim to the disputed area in favor of the English and recognize the latter's sovereignty over it. Thus, contrary to his instructions, Farquhar proceeded to occupy Balambangan without previously visiting the Sultan of Sulu.[1]

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1 Farquhar was also to deliver a letter addressed to the Sultan of Sulu by Wellesley, proposing the renewal of relations between their peoples and the adjustment of the terms through the Commissioner. This message begins thus: "This letter of friendship is written by His Excellency the Most Noble the Marquis Wellesley K.P. Governor General of India to His Majesty the most powerful Sultaun of Sooloo to whom His Excellency wishes all the blessings of health, long life, and a prosperous reign." Full text in Board's Collections, No. 2770, enclosed in the letter of instructions from Fort William to Farquhar, 15 March 1803.

Owing to the internal situation in Sulu, Farquhar deferred delivering this letter until a more favorable opportunity by which the Bengal Government could avail itself with the best possible effect of the rebel datu's offer of the island of Sulu. See Farquhar's instructions to Major Eales, 7 Dec. 1803. Beng. Sec. and Pol. Cons., Range 167, [Cons. 18 July 1805, encl. no. 28].

Moreover, this ruler was having difficulties in his own house.[1] One of the pretenders to the Sulu throne, actually the legitimate successor whom the people had put aside to install the incumbent, was engineering a rebellion. The Sultan's fear for his throne was heightened by the possibility of an alliance between his political opponent and the English newcomers. It was said that he was involved in the murder of Captain Pavin of the ship Ruby in 1800, which he was now trying to cover up for fear of English reprisal. He thus made haste to draw up a document wherein he indicated his "perfect concurrence" in the English resettlement of Balambangan and which he sent to Farquhar "under his Royal Chop."

The troubled state of Sulu politics offered a tempting opportunity for intervention by the English. They could back up the rebel faction and take possession of the kingdom "without meeting resistance." Farquhar, however, was content with the possession of Balambangan and its dependencies. With these, not only would the English achieve their ends in that quarter, but also would he free from the expense and risks of political alliances.[2] As to the methods of dealing with the neighboring

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1 Farquhar gave an insightful report of the political state of Sulu. He explained the possibilities and advantages that could be derived by the English from intervention in the shaky state of affairs in the Sultan's Court. On the other hand, he adverted to the difficulties and expense which such intervention might cost the English. "Notes relative to the Political State of Sooloo, etc.,""Ibid., Range 166, /idem, encl. no. 25/.

2 Farquhar proposed the establishment of a factory only at either Sulu or Borneo, without any military force whatever. He thought it advisable to leave those countries entirely in the hands of their own chieftains, since the establishment of free trade as a result of the resettlement of the British on Balambangan would be sufficient inducement for peoples of the area to resort to the British base. Letter to Wellesley in Council, 16 Feb. 1804. Loc. cit.

native rulers, Farquhar opted for one which was to be adopted later in the entire Malayan area. He drew up the draft of a treaty[1] which he proposed should be made not only with the sultans of Sulu, Borneo, and Mindanao, but also with all the rajas on the coasts between Balambangan and Prince of Wales Island. This treaty should be accompanied further by a trifling present of 2 or 300 dollars to each of those native rulers. Structurally, the treaty was such as would impose the fewest obligations on the part of the British Government, while at the same time providing an instrument for the protection of British ships and personnel from the maraudings and atrocities of Malays.

Farquhar left Balambangan on December 8, 1803.[2] Prior to his departure, he appointed Major John Eales to the chief authority in the settlement.[3] His instructions[4] to the latter interest us here as they

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1 The master draft was entitled "Treaty of Amity, Commerce, and Navigation between the Honorable English East India Company and the Kingdom of Sooloo concluded by R.T. Farquhar, Commissioner from His Excellency the most Noble the Governor-General-in-Council of India for the re-establishment of the British authority at Balambangan and its dependencies on the one part, and His Majesty the Sultaun of Sooloo and Council on the other part." Encl. no. 26, ibid.

2 Farquhar was appointed Lieutenant-Governor of Prince of Wales Island on July 21, 1803. Personal Records, V. 8, p. 248. Volume 10 gives the conflicting date of Oct. 30. In any case, Farquhar assumed his new charge in January of the following year. See his letter to Wellesley in Council, 6 Jan. 1804, in Beng. Sec. and Pol. Cons., Range 166, / Cons. 18 July 1805, encl. no. 17 /.

3 Eales combined in him all civil, military and commercial authority over the settlement. Concentration and consolidation of power had been the order of the day since the enactment of the India Bill of 1784.

4 Instructions dated Balambangan, 7 Dec. 1803. Ibid., Range 167 / Idem, encl. no. 28 /.

reflect the changing attitudes with respect to the settlement of new territories in general, and particularly toward the establishment of a British foothold in the Malaysian archipelago.

Eales was not to enter into the trade of the neighboring countries, nor should he commence trade in Balambangan without previous instructions from the Bengal Government. There had been as yet no merchants of important means in the settlement, but in order not to disappoint native traders bringing in merchandise, Eales should authorize the exchange of such goods with those of the Company found in store.[1]

At the moment, the principal function of the settlement was as a "port of refreshment" for all British ships, i.e., the King's, the Company's, and the Country vessels. Maritime and strategic requirements thus took precedence over purely commercial considerations. This was the reverse of what was suggested for the first Balambangan settlement and was in effect an affirmation of the principles underlying the acquisition of Prince of Wales Island.[2]

Eales proceeded to put the settlement on a solid footing.[3] He established the suggested post at the mouth of Benkoka River in Maludu Bay, Borneo, where food and other supplies could be collected from adjacent territories. But no sooner had he done this, when trouble began.

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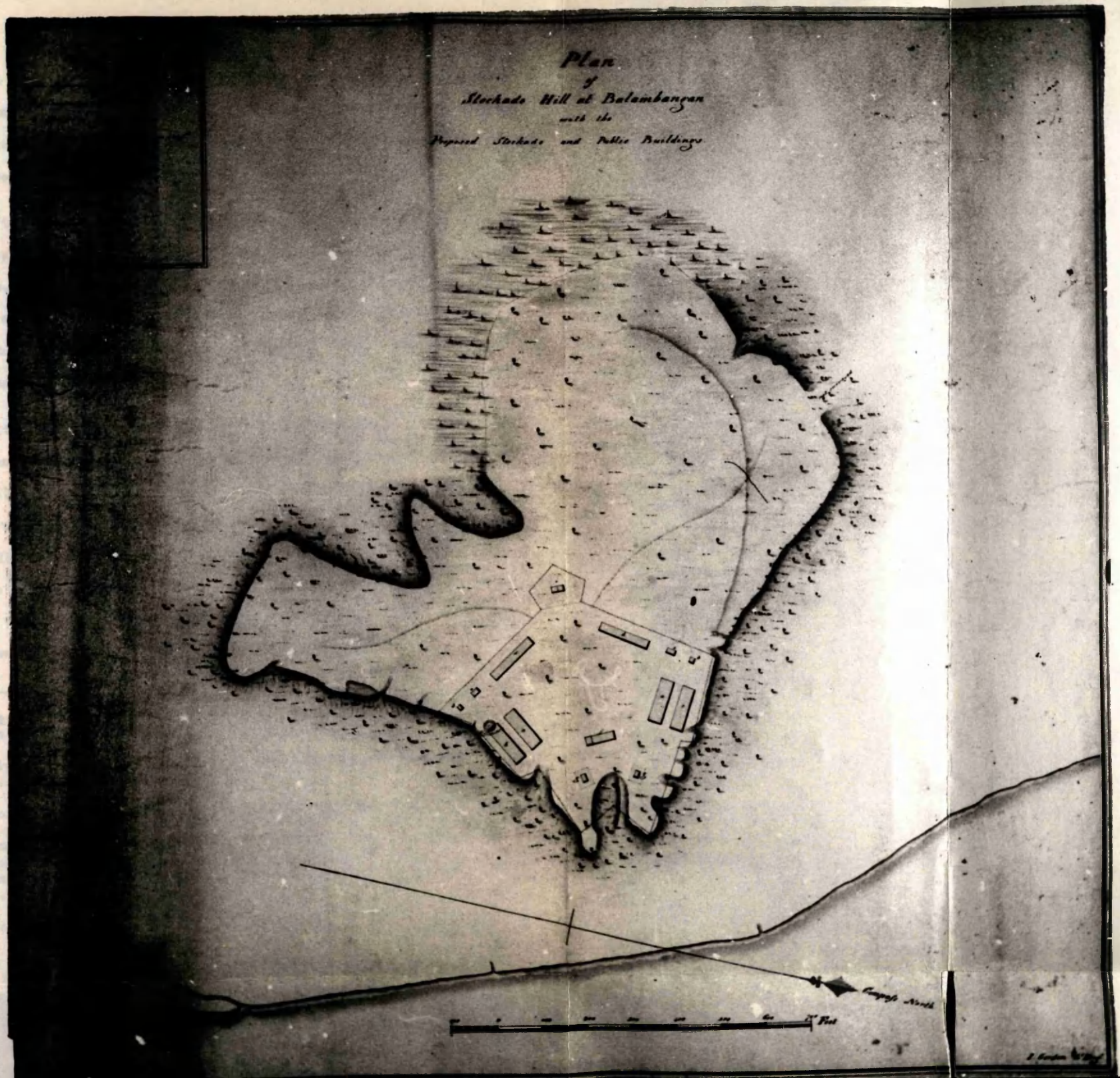
1 Eales was, however, to declare Balambangan as a free port "in the most comprehensive and public manner."

2 Vide, letter from the Governor-General at Bengal to the Chief of Penang, 22 Jan. 1787. Extracted in Farquhar's instructions to Eales, loc. cit.

3 See plan of the Balambangan settlement in 1803 following this page, photocopied from the chart drawn by J. Gordon and preserved in the British Museum.


Plan
of
Stockade Hill at Balambangan
with the
Proposed Stockade and Public Buildings

The Sulu Chiefs in Banguey were intimidating their subjects in Benkoka to prevent them from supplying the English.[1] Eales remonstrated strongly, and although the Sulus professed innocence, one of them addressed a letter to the people of Benkoka enjoining them to assist the English.[2]

After this episode, the English practically had no contact with the Sulu people.[3] They depended entirely on the Borneans for provisions and supplies, but the failure of crops in Borneo in the year 1804 left the English almost destitute. Moreover, up to September that year, not a single English ship arrived from either China or India to succour the settlement.

Within two months after its establishment the post at Benkoka was withdrawn.[4] The place was found to be extremely unhealthy, causing widespread illness amongst the troops.[5] In the following March, Illanun pirates were seen deploying round Balambangan. A fleet of 40 proas then anchored about a mile and a half south of the town, while another fleet got into the north harbor. The English then prepared for what appeared to be a two-pronged attempt against their settlement. On the following day, however, both fleets moved off without attacking.

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1 Vide, Eales' letter to Fort William, 15 Jan. 1804, encl. no. 93, Cons. 4 April 1805. Beng. Sec. and Pol. Cons., V. 154.

2 Copies of the letters exchanged on the occasion make enclosures nos. 96, 97, 98, idem., ibid.

3 Before the episode, Major Eales despatched Lt. Sexton of the cruiser Fly to Sulu to deliver Wellesley's letter to the Sultan, along with those from Eales himself and Farquhar. The Sultan's replies were couched in very polite and flattering language, and were as non-committal as the letters sent to him. See encl. nos. 99, 100, 101, 102, 103, idem, ibid.

4 Eales' letter to Lumsden, 17 March 1804, encl. no. 99, idem, ibid.

5 See letter to Eales from E. Stone, Assistant Surgeon, Benkoka, 25 Feb. Encl. no. 107, idem, ibid.

A month afterwards, in April, another armada of Malay vessels, this time manned by Sulus, appeared in the northeast passage between Balambangan and Banguey. The English were assured by a Sulu Chief in Banguey that those vessels were on their way to Sulu. The English were nevertheless suspicious and prepared for the worst. Towards evening of the following day, the greater part of the fleet was seen rounding the southeast end of Banguey, ostensibly on a passage to Sulu. The rest, however, anchored off that part of Banguey opposite the English settlement. Eales thus ordered his troops to be ready "to turn out on the shortest notice." On the next day, the Sulus weighed anchor and headed southeastward, apparently to join the other part of the fleet. Eales dispatched the cruiser Fly to keep track of their movements, and although the commander reported back that they had been seen clear through the passage to Sulu, information was repeatedly received thereafter by the English of Sulu proas "lurking" in their vicinity.[1]

Throughout the month of May, the English at Balambangan were kept on the alert. Their main concern were the Sulus who apparently had no intentions of associating themselves with the English.[2] The two peoples

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1 Account of these happenings in Eales' letter to Fort William, 1 Sept. 1804, Encl. no. 37, Cons. 14 Feb. 1805. Bengal Public Council, Range 6, V. 7.

2 On August 27, 1804, a letter was addressed to W. E. Phillips, Acting Lieut. Gov. of Fort Cornwallis, Prince of Wales Island, by W. Farquhar, Commanding Officer at Malacca. The letter advised of information having been received from Batavia about a French squadron of 12 ships lying in Batavia Roads and destined for an attack against Balambangan. In Cons. 4 April 1805, encl. no. 113, Beng. Sec. and Pol. Cons., V. 154.

were rightly suspicious of one another. "The well-known character of the Soolooese for treachery and circumvention," confirmed by their surprise attack on the first Balambangan settlement had naturally put the English on their guard. The Sulus, on the other hand, were aware that the English had an axe to grind, and the fact that the Borneans were getting on well with the English was enough to arouse their hostility.[1]

In any case, the Sulus never dared to repeat their coup of 1775. The English were much better prepared this time against attack by any of their neighbors. Eales had meticulously seen to the construction of a strong fort and the clearing of the entire ground around it. In referring to the Sulu menace, he stated that it made him more cautious than he otherwise should have been in guarding against a surprise attack.

The settlement's difficulties stemmed from other sources. The problem of supplies was particularly serious and increasingly so. Eales' letter of September 1, 1804 struck a truly sombre note. "The resource which I had been taught," he wrote, "to look to of a plentiful supply of paddy from Borneo and the neighboring islands completely failed." The failure of rain in the last northeast monsoon had caused a famine throughout the entire archipelago. Unless supplies arrived from Bengal soon, the outlook for the settlement was "dreary in the extreme."[2]

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1 On Feb 20, 1804, a delegation from the Court of the Sultan of Borneo delivered a letter from their Chief to Eales. The Sultan was offering to grant the English any one of the three islands of Labuan, Pulo Tega, and Pulo Gaya to which the English could remove their settlement from Balambangan. Eales declined but promised to transmit the Sultan's offer to the Bengal Government. See encls. nos. 104, 105, 106, Cons. 4 April 1805, Beng. Sec and Pol. Cons., V. 154.

2 Eales' letters, both dated 1 Sept. 1804. Encls. nos. 38 and 39, Cons., 14 Feb. 1805. Beng. Pub. Council, Range 6, V. 7.

On March 11, 1805, orders were sent from Bengal for the withdrawal of the Balambangan settlement.[1] The troops and stores in the latter were to be returned to the presidencies to which they formerly belonged. The troops to be embarked at Balambangan numbered 1,147[2] while the number of settlers asking to be removed reached 950.[3] On December 16th of the same year, the transports which had been sent to evacuate the British from Balambangan arrived in Prince of Wales Island.

Thus ended British activities within the Philippine area. The problem of a British base in the Malaysian archipelago had to be tackled elsewhere. The Company's Directors, in ordering the withdrawal of the Balambangan settlement, entered strict instructions not to renew the same in the future without specific direction from them. They appear to have been irked by Wellesley's precipitate restoration of the settlement, in view of the resumption of hostilities with France and Holland and since it would be impossible to maintain the island without fortifications and "a respectable force" for its defense. Such necessary precautions, they further maintained, "could ill be spared under the probable circumstance of our again taking possession of the islands belonging to the Dutch."[4]

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1 Orders addressed to R.T. Farquhar, then Lieut. Gov. of Prince of Wales Island. Bengal Political Cons. / 30 May 1805, encl. no. 34 /, Range 117, V. 45.

2 See letter to the Governor-General from the Marine Board at Bengal, 1 May 1805. Ibid. / encl. no. 41 /. Cf. Prince of Wales Public Consultation of 17 Dec. 1805, Factory Records Straits. Settlements, Index No. 12, f. 666,667.

3 In Lumsden's letter to the Committee of Embarkation, Bengal, 9 April 1805, Cons. 30 May 1805, encl. No. 40. Beng. Pol. Cons., Range 117, V. 45.

4 "In the Political Department," 15 Aug. 1804, Madras Political Letters Sent, No. 1.

CHAPTER IX

Review

British and Spanish writers alike have written glosses on the English invasion of Manila in 1762. Spaniards, in fact, made capital of this military event to show off their own achievements in subsequent decades as regards their only important possession in the Eastern seas.[1] At present, it is not uncommon amongst chroniclers and historians in the Philippines to divide the periods of the history of the country into pre- and post-British invasion.

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1 Alejandro Malaspina, head of the round-the-world politico - scientific expedition sent out by the Spanish Court in the 1790's, wrote the following eulogy of the period subsequent to the invasion:

"The English invasion is an event of great importance in the annals of Manila. It roused the Spanish Court from its lethargy as regards the preservation of the Eastern colony. It gave new emphasis to the possibility of defending that possession in a military campaign and of relying on the loyalty of its native inhabitants. In that same court, with the return of the magistrate Anda and Commander Bustos, the rich natural resources of the islands were disclosed, along with the heroic exploits of the war. The invasion further prompted the first unsuccessful attempts to exploit the route via the Cape of Good Hope. It also led to the increase in government subsidy for the maintenance of the colony's fortifications. Finally, the invasion opened up relations with the English Oriental colonies and introduced useful English pilots from there, with their new and more active plan of commerce, and amongst whom was Felipe Thompson who happily caused the frustration of new combinations forming in the Acapulco trade. Later appointed Governor and Captain-General of the Philippines, Simon de Anda commenced a vigorous administration in the 1770's, the salient points of which are, no doubt, the colony's independence of the government in Mexico, the direct contact with the Court at Madrid, a closer link with the European colonies in the East, and the first steps in the establishment of the Cavite Arsenal."
See "Reflexiones politicas sobre las Yslas Filipinas y Marianas," one of three articles written by Malaspina on the situation in the East. Add. MSS. 17,624, f. 25 et. seg.

On the side of the English, this military exertion was only a minor aspect of their interest in the Spanish Philippines and adjacent territories which were also claimed by the Spaniards. Forces stronger than the conquest motive were at work, coinciding with those operating in other parts of the British Eastern empire.

There were two principal drives behind British interest in the area belonging to or claimed by the Spaniards as included in their Filipinas during the period 1759 - 1805. They were specie and trade. In the 1750's and early 60's, the lines of British commercial and imperial development were falling into a pattern. In the East, the military victories in India and the expanding trade with China posed new problems of politico-economic exploitation. Within the East India Company, in particular, an ambivalence was gradually arising between satisfying territorial ambitions and promoting trade interests. As the Company became absorbed in the first, country traders were entrenching themselves in the trade system of the East.

In the latter half of the eighteenth century, the prospects for private merchants appeared to be very bright indeed with respect to the trade of the Malaysian islands, this particularly as a feeder line to the increasingly important China trade. Servants of the Company on the spot had in fact provided the incentive by advocating the establishment of trading settlements in the area. One of those Company servants, Dalrymple, began in the 1760's to expound the case for the resumption of British activities amongst the Eastern islands, on a scale which would not only

enable the Company to recover its lost share of the spice trade but to expand its existing trade even further. The interest in the area now, however, lay least of all in the cultivation and marketing of spices. The Malaysian archipelago was a source of bullion so chronically needed at Canton to finance the English trade there, and of products which had a great demand in the China market. The many islands that comprise it were not only a market for British trade goods, such as opium and piece-goods from India, but a potential one for British manufactures.

Dalrymple's choice of a site for his proposed East Indian trading center fell on one of the islands wedged between Spanish and Dutch preserves, a peripheral no-man's-land, "uncommitted" to any European power and strategically located with respect to China, India, and the spice-producing islands. The territory was populated by Mohammedan Malays called the Sulus, who, although piratically inclined were sufficiently trade-conscious, having had commercial connections with Manila and neighbouring islands and with merchants from China. Its greatest significance to Dalrymple, however, lay in its accessibility to merchants from Amoy and the provinces to the north of it. Its proper management and development into an English commercial centre might in time re-channel the onerous Canton trade and divert the traffic at Batavia, thus creating a vast network of exchange of Chinese, Indian, Malaysian, and European produce, a function which was destined later for Singapore and Hongkong.

Other projects for a British settlement within the alleged limits of the Spanish Philippines involved the island of Mindanao, where a

Spanish fortified settlement was being maintained chiefly as a bulwark against the Mohammedans to the south, and where spice cultivation was being jealously watched and frustrated whenever they could by the Dutch. The main British concern in the island was to get as close as possible to the centres of spice production and to tap a source of supply for the British markets. Those projects, however, remained on paper, as risking too much with respect to either the Spaniards or the Dutch.

The invasion of Manila was undertaken mainly as a show of strength to bear pressure on an imperial power, whose policy in America obstructed expansion of the British trade economy, to come round to the British point of view. The invasion produced positive results for the invaded rather than for the invaders. For the latter it meant in fact the suspension of a supply of Spanish dollars which the British settlements in India, particularly in Madras, had taken care to preserve and promote to help finance the Company's investments in Canton. The Manila trade, although not conducted on the Company's account, redounded to the latter's benefit. This particular trade connection had been productive of substantial residual cash, which private or country merchants turned over to the Company's use in Canton for bills on either the Indian presidencies or London. After the war, the British in India were content to resume trade relations with Manila on the old conditions. The creation of the Royal Philippine Company did not alter the fact that the English Company stood to gain by allowing and encouraging private merchants to supply Manila, as elsewhere in the regions between India and China, with piece-

goods, which by now had become only second on the list of Manila trade exports to Spain and America.

The reduction of Manila in 1762 was followed by a period of occupation of that city and adjacent places by the East India Company, lasting one year and six months. Efforts were made to reconcile the natives to the new rule by abolishing the capitation tax and "personal services" rendered by them under the Spanish government. But the general state of economic backwardness of the country made it impossible for the Company's administration to draw revenue through the customary channels, as in the Indian settlements. Thus the English re-established the several monopolies, which had existed under the Spaniards, and introduced the system of farming them out to individuals who were all Chinese. The licensing of gambling and retailed liquor added to the demoralization of the natives, whose humdrum existence had already been dislocated by the violence of the invasion and the resistance organized by the Spaniard, Anda. Brigandage became general and serious uprisings were unleashed in several places. But the Company's officials could neither suppress the first nor turn the latter to their account. The English further fell to bickering amongst themselves, a most disastrous antagonism having developed between the Company's representatives and the King's commanders. On balance, the British occupation of Manila merely provided an exercise in colonial rule, benefitting neither the Company nor the English King.

The fruitless invasion of 1762, nevertheless, did not restrain the English from contemplating and preparing another and bigger one in 1797.

As before, the idea of seizing the Philippines in order to force Spain to come to terms at the peace conferences in Europe was the decisive element. The Madras and Bengal establishments were to combine their resources in launching the new expedition. The extent of the Company's involvement in the project was to be greater than that in the earlier one, which shows how in the intervening period the Company's interests had come to coincide with those of the King's Government. But just before the scheduled departure of the entire force from the rendezvous at Penang, orders were issued in Madras to withdraw the expedition. The security of the Indian settlements, which had always been the paramount consideration behind British exertions in the Far East, was believed to be at stake owing to the new political developments in Europe.

Other projects of an aggressive character were conceived against the Spanish Philippines in the 1780's, and originated also in the ministerial chambers in London. They were, however, designed to enable the English to penetrate the Spanish American trade through the back doors on the Pacific. A subsequent effort was made to breach the Atlantic front doors of that same trade, by means of a contractual arrangement to be entered into between the English East India Company and the Spanish Royal Philippine Company. Philippine ports were to be opened to British products and manufactures from India, which the Spanish Company would then transship to America through Spain. The plan of agreement was devised by Ralph Woodford, the man who had been earlier commissioned by the English King to negotiate a commercial treaty with the Spanish King's Ministers. The resistance of the latter to such overtures might

have been expected by the English Company's Directors in London, whose enthusiasm appears to have waned since 1788. In that year, the Spanish Company itself initiated proposals for the delivery of 600,000 dollars' worth of Indian piece-goods to its account By the English Company, then backed out, apparently for lack of support from the Spanish King's government.

Of the British activities in the Philippines during the period covered by this study, that which Dalrymple initiated with respect to the Sulus had the most far-reaching effects for both the British empire and the Spanish rule in the islands. Long before the arrival of the English, the Spanish government in Manila had tried to subdue the Sulus, one of many groups of Malays of Islamic faith inhabiting the lands round Zamboanga, the Spanish outpost in Mindanao. The Spaniards were mainly unsuccessful and often reduced to defending the southern Philippine islands from their retaliatory and plundering visits. Thus this people, who were noted in the early 1700's as giving the Spanish arms "much to do," became in subsequent decades "the most adept in the practice of piracy in the whole of the Philippine archipelago." During the occupation of Manila by the British and in the years following, the Sulus devoted themselves more freely to outrages on the Philippine provinces; such was their temerity that in 1769 they broke into Manila Bay and seized twenty inhabitants in Malate, just outside the walled city. The British alliance with the Sulus and the proposed settlement in Balambangan heightened the fear of the Spaniards for the Visayan islands, the vanguard of the Christian

Philippines against the infidels of the south.

In 1764, the deposed Sultan of Sulu, who had been held "captive" by the Spaniards in Manila before the English invasion, was restored to his throne by Dalrymple. The culmination of this man's exertions with the Sulus was the cession of the latter's territories in Borneo, including the adjacent islands. In December 1773, the Balambangan settlement was erected by servants of the East India Company. A little more than a year afterwards, a Sulu band of raiders put an end to it.

In 1803, upon the restitution of the Dutch conquests in the ~~conquests in the~~ Eastern seas, Wellesley ordered the re-establishment of the Balambangan settlement without previous sanction of the Company's Directors in London. The new settlement was, above all, a half-way station on the track to China for British shipping and a point of contact with neighbouring native powers. Until all the facilities for commerce had been provided, particularly with respect to security in the settlement for people coming to trade, the Company should not enter into trade with the neighbouring countries. The settlement was thus better fortified than the earlier one and more carefully guarded, particularly against the Sulus who were believed to be contemplating another coup against the English. The latter who appeared to be friendly towards the Borneans were eyed with suspicion by the Sulus.

In 1805, with the probability of another war with the Dutch and of reconquering their Eastern possessions, the Directors in London ordered the withdrawal of the Balambangan settlement. They were now categorically

opposed to any form of expansionism which might involve considerable outlay and political complications. Prince of Wales Island, which had been acquired in 1786, was to their mind best suited to promote their interests, "being placed in a most favourable situation for an emporium and commerce in the Eastern Seas, and for becoming a commanding station for the rendezvous, refitting and supply of that portion of His Majesty's Navy required for the protection of the Company's possessions and affairs in the eastern parts of Asia."

Besides the island, the Company possessed the town and fortress of Malacca which gave them control of the Straits of that name, and also Fort Marlborough. There remained one weak point in the strategic defense of the Bay of Bengal, e.g., the west coast of Sumatra, "where the French in the last two wars were enabled to refit and supply their ships and speedily to resume their depredations in the Bay." Thus the Directors recommended the occupation of the port of Atjeh.

However, considerations other than the security of the Bay of Bengal continued to absorb those who were faced with the actual situation in the East. The Archipelago was plagued by pirates who intensified their activity following the successive defeats of Dutch arms by the British. In 1804, Farquhar, Lieutenant Governor of Prince of Wales Island, proposed dealing with the problem through "a system of future prevention." By this he meant entering into a series of treaties with the independent, feudatory Malay states on the basis of "a community of interests and a sense of reciprocal benefits for all concerned." This was the general idea in subsequent dealings made by the English with the country powers

in the Malay Peninsula, Borneo, and Sulu.

The Spanish government in Manila, meanwhile, continued to be sorely tried by the problem of piracy harassing the provinces within the territorial limits of the Philippines. The repeated threats of another English invasion of the capital tied the Spaniards hands with respect to the Sulus, their principal "Moro" enemy. Thus throughout our period, the Spaniards merely held on to a course of sporadic expeditions and punitive reprisals. Not until the middle of the nineteenth century did they embark on a systematic reduction and assimilation of the Sulu islands, contributing in the process to the establishment of peace and normal commercial intercourse in adjoining areas. The introduction in 1848 of steam vessels, purchased from the English, emboldened the Spanish government to revive the offensive of the 1630's. But just as the latter were resolving on conquest with permanent occupation, the Borneo part of the Sulu dominions was slipping away. The English, encouraged by the comparative security in the area, a state to which, ironically enough, Spanish arms contributed in no small measure, had become active in Borneo.

In 1864, a Spanish royal commissary visiting the Philippines adverted to the impending loss of the northern end of Borneo and adjacent islands to the English, based on a "recovery of rights" supposedly acquired in Alimudin's cession to Dalrymple.[1] The Spaniard categorically denied the

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1 D. Patricio de la Escosura, Memoria sobre Filipinas y Jolo (published by D. Francisco Canamaque), Madrid, 1882, p. 271-8.

validity of this grant, repeating the arguments of Spanish authorities before him.[1] But "what security is there," he asked, "while the territory in question is not occupied by us yet that it will not occur to the Government of Great Britain, or that of India, or to any English commercial company, if not to Mr. James Brooke or any other adventurer stimulated by his example, to settle Balambangan again or for the first time in the Joloan territory of Borneo?" In 1878, by the deed of lease signed by the Sulu Sultan, Jamalul A'lam, Dalrymple's claims were finally made good.

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1 Escosura argued that, first, the attack on Manila was a surprise and it was not possible to know about it in the European courts at the time of its occurrence; thus the English in the East could never return by right the liberty and autonomy of the Sultan who was then a Spanish prisoner in Manila. Secondly, Alimudin could not exercise the right of contract without in any manner violating previous treaties with the Spaniards, like those of 1646 and 1737, whereby "the supreme authority of Spain was expressly recognized." Finally, the Treaty of Peace of 1763 stipulated the full re-establishment of the statu quo antebellum, except where it was otherwise explicitly and definitively stated in detail. Ibid.

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